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## GREECE CHARGES TURKEY WITH 'ANTI-GREEK' CAMPAIGN

## Drosos Analyzes Greek-Turkish-NATO Issue

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AT311705 Athens I KATHIMERINI in Greek 31 Oct 79 p 4 AT

[From the "Political Issues" column by Georgios Drosos: "The 'Hispanization' of Greece"]

[Text] Whether there has been or there will be any sort of easing or cessation in the severe and anti-Greek campaign recently unleashed by Ankara against Athens, this is something we will have to see. In the same way that the sudden wrath was artificial, and according to instructions issued, it could stop with the same ease and according to instructions from the same source. Since we are talking of instructions, we would like to make it very clear. We do not mean American instructions. These instructions originated from within Turkey itself, perhaps with the hope of flattering the imaginary hopes of certain U.S. admirals or generals, or perhaps, with the intention of implementing some crude extortion. In any case U.S. military command, being more serious, must realize that continuation of such tension, which could go as far as a confrontation, would most of all be harmful to the Americans themselves. It would be most harmful to the Americans and to NATO. It would be harmful to their prestige and strategic positions in this section of Europe.

In this way one could logically expect that this offensive of madness will come to a stop and that there will be no other dynamic intervention by the Turks either here or in Cyprus. This, however, does not apply to certain "diplomatic" activities which on the one hand would be aimed at presenting the Turks as being treated unjustly or even threatened, and which, on the other hand, would attempt to neutralize the good results of recent Greek diplomatic activity.

One such activity could consist of the following: once again using and abusing their rights as full members of NATO, the Turks could again present a veto against continuation of negotiations between Greece and NATO's military wing. This, naturally, under the prerequisite that they will have convinced the other NATO partners that in no case will they abandon their demands on Aegean operational control or control over a portion of the Aegean. In this way such a step would appear as something absolutely logical and

natural: "Since we absolutely insist on the question of operational control over the Aegean and since the Greeks are implacable against its acceptance, it is futile to hold any negotiations, to lose time and create delusions. Let us take it for granted that Greece will not return to NATO's military wing and let us make our plans according to this fact."

This, therefore, appears easy. At first glance it is. The Turks, however, must certainly realize that such an action, without having any fundamental content, would expose them in the eyes of other NATO partners. All these partners want Greece to return to the Alliance's military wing and they always hope that a way will be found, or that some formula will be found which would be acceptable to both sides.

The others, in any case, know very well that Greece could never accept the conditions set by the Turks. Naturally they may wish that at some time or other Greek objections may be sent but they also bear in mind that this cannot take place. They have pressured the Turks to give in. They did not succeed. Perhaps this was because their pressure was insufficient or crude. Perhaps because it was not implemented at the right time. Perhaps because they are still victims to the myth that Turkey is a valuable ally which could play a decisive role at a moment of crisis. The best thing is that such a moment should never arrive. This is because if such a moment does arrive then disappointment will be very severe.

Since, therefore, things stand in this way, then the question arises: What will be Greece's position within and against the Atlantic alliance? Following a simplistic logic one can arrive at the conclusion that the most logical solution consists of leaving things as they are: In other words that Greece should remain within the political section of NATO and that it should cooperate, in other words that it should work with the military wing without belonging to it. There is a precedent in Spain. Naturally this country does not belong to NATO's political wing but it does cooperate with the military wing. To be exact it cooperates closely with the Americans (bases, etc). The Atlantic alliance and the Americans, however, are not two separate things. In form perhaps they differ. In essence, however, they do not. The Spaniards do collect rent for the bases they provide and they receive military aid. At the same time the two countries they border are both members of NATO.

Some sort of "Hispanization" of Greece, therefore, appears at this moment as the most likely eventuality for the near future. This, in any case, would be a confirmation of the status which exists at this moment. This is also the solution which is most beneficial both to Greece and to the West as things stand at the moment. Any other solutions based upon pressures and extortion would be calamitous, not so much for Greece but to the Atlantic alliance.

As we have said, this is the most likely development. As things stand and as the internal situation in Turkey stands, as Turkish minds operate, one cannot forecast any other way out of the complications into which they have

involved us. It appears that we will have to live with the Greek-Turkish crisis, in other words both the direct one and the one through NATO, for a long time to come. One cannot even hope that these issues could be placed "along a course toward a solution."

If, therefore, certain internal developments depend upon the solution of these issues then they must be postponed. It is, however, very likely that such a consideration is not even thought of.

#### Drosos Comments on Unfounded Turkish Charges

AT281305 Athens Domestic Television Service in Greek 1900 GMT 27 Oct 79 AT

[Commentary by Georgios Drosos on Greek-Turkish Relations]

[Text] It is well-known that one can choose one's friends. However, one cannot choose one's relatives and neighbors. We did not make Turkey our neighbor. However, Turkey is our neighbor. Since it is, we must try to have relations with it, if not relations of good neighborliness at least relations of a certain tolerance and cooperation.

This is why we started a dialog which progressed and which improved the climate between the two countries. It also created hopes for a possible future agreement.

Suddenly the Turks unleashed a verbal attack against Greece. In any case, they did disturb the seriousness of the dialog being conducted. Unfounded charges were manufactured in Ankara and we are being given instructions from over there on what we must and what we must not do.

Every nation has its own way of thinking and of acting. The Turks have a permanent way of acting everytime they are faced with a crisis, political, social as well as economic. Perhaps they think that in this way they will be able to divert the attention of their public opinion from their difficult internal problems. Perhaps they also want to demonstrate overseas that despite their crisis they remain hard and immovable on their national issues.

No matter what the reason is they do disturb the dialog. We are not going to reply to them nor are we going to follow the same tactics. We willingly leave to them the privilege of provocativeness and we simply hope that at some time they will come to their senses and that we will be able to proceed with a discussion, hoping it will become possible to find correct and dignified solutions to the problems and differences which separate us.

#### New Turkish 'Veto' to NATO

AT261250 Athens TO VIMA in Greek 26 Oct 79 p 1 AT

[Text] Recent Turkish provocations, which not only continue but which climaxed yesterday with a new note to NATO, are actions encouraged by the

Americans, stressed A. Papandreou, leader of the majority opposition party yesterday during a chat with political editors.

According to the estimation of Pasok's chairman this is an implementation of pressure upon Greece because Athens refuses to accept the well-known and unacceptable plan for Greece's return to NATO.

This very issue has in the meantime become the object of a new Turkish veto to NATO. At the same time former Turkish Foreign Minister Caglayangil also got involved in the war of nerves which Ankara appears to be continuing. In a statement we stressed that any possible extension of Greek territorial waters to 12 miles would be cause for war for Turkey.

During his regular chat with political editors Pasok's chairman yesterday stressed:

--he attributes recent Turkish statements to incitement from Washington.

--their purpose is to exert pressure upon Athens forcing it to give in to unacceptable demands related to its return to NATO.

--Greece's position must be firm and determined thus making it clear in all directions that Greece is not going to make any concession on its national rights.

--Athens must reply to the latest Turkish provocations with a severe note to Ankara and with stronger statements by the foreign minister.

In the same statement Papandreou also referred to other issues of foreign policy and commented upon the prime minister's visit to West Europe and its results.

On its own part Turkey presented a new "veto" to NATO in reference to Greece's return. The Turkish News Agency reported the following on this matter:

Turkey requested its permanent representative at NATO headquarters, Osman Oltsai, in Brussels to inform all NATO member states on Greece's negative position toward Turkey, as stated by informed sources in Ankara.

Instructions forwarded to Oltsai mention that Turkey has no further desire to "act with any greater desire for cooperation" in respect to Greece's return to NATO's military wing under the light of the recent negative position of Greece toward Turkey.

Oltsai was instructed to inform representatives of NATO member states on Turkey's new position toward Greece's return to the military wing of the alliance.



## 'LE SOLEIL' COMMENTS ON DISMISSALS FROM PQ CABINET

## Graceful Exit of Louis O'Neill

[Article by Gilles Lesage: "Would Louis O'Neill Have Been Promoted?"]

Quebec LE SOLEIL in French 26 Sep 79 p A 7

[Text] The exminister of communications gave a high-class show yesterday before the parliamentary press in Quebec.

It was as if the eminent theologian and professor suddenly found himself relieved of an enormous weight. At ease, relaxed, serene, Mr Louis O'Neill uses humor and irony marvelously. With his hands in his pockets or with sweeping gestures, a bit like a bird who is ready to take flight, he gives a lesson--or rather a masterly course--to the numerous journalists, who were a bit stupefied. A colleague even confides that he has the impression that the representative from Chauveau has received a promotion...

No anger, no bitterness, in this man who has just been "demoted" to simple representative, and who would have reason to complain. In comparison with the shabby performance of Mr Rodrigue Tremblay, Friday, that of Mr Louis O'Neill seems marked by dignity and elegance, but not stripped at times of a certain caustic spirit, and implicitly, of vitriolic strokes.

In splendid form, surrounded by his wife and friends, the exminister reads a long balance-sheet of some 25 accomplishments under his "reign" of 3 years at communications, then he makes mention of about ten projects in progress, to "reassure those who thought that the ministry was falling into jeopardy." The message is clear, but without self-conceit and boasting, in contrast to the other exminister, Friday.

## No Dramatics

In terms which do not lack grandeur, Mr O'Neill next recalled the motives of his political commitment, directed toward one objective: the independence of Quebec. "I define myself first as a militant separatist. The rest, representative or minister, is according to needs and circumstances." He was glad to be a minister, he remains a representative and a member of the Parti Quebecois, loyal and true.

With humor, he recalls that Mr Levesque had indeed said, on 26 November 1976, that the position of minister was temporary, and that one or the other of his colleagues might be invited, in the course of a mandate, to return to his primary function as representative. "We applauded then, we were all in agreement, but it's a little more difficult to take," admits the representative from Chauveau.

He does not wish to dwell upon the past, nor to criticize the prime minister or his former colleagues. He has good things to say of his minister of state, Mr Camille Laurin, and confesses that Mr Levesque perhaps did not have complete confidence in him.... But he doesn't want to "transform his little headaches into a national drama" and insists rather on the positive aspects of his new state: a more regular and closer family life; more time to read, think, write; a greater right to speak; more time for his county, as well as for the life of the Parti Quebecois.

#### Loyal to Himself

The man remains loyal to himself, to this commitment which pushed him to confront Robert Bourassa, in Mercier, in 1973, and to oppose the step-by-step policy of Rene Levesque and Claude Morin at the general congress of the PQ in 1974.

This is the same commitment which, as minister, made him speak of Ottawa as a "foreign country," and which, quite recently, made him oppose the withdrawal of the word "independence" from the official policy statement of the PQ. In the same vein, he was the only minister, with Mr Robert Burns, to support openly the candidacy of Mrs Louise Harel for the vice presidency of the PQ, to the great displeasure of Mr Levesque. Might this last incident have cost him his position as minister? "It's a working hypothesis... If it is that, I regret nothing." His brother Pierre, a columnist at LE DEVOIR, writes that Mr O'Neill was a victim of a settling of accounts for having dared to support Mrs Harel, "in plain view of the chiefs of the bunker!"

#### Scapegoat?

Perhaps I was unduly affected by the remarkable spectacle of Mr O'Neill yesterday, but one wonders exactly why he was asked to resign. Mr Tremblay one understands, and better and better, but Mr O'Neill appears to be a scapegoat, because two were necessary. It is true that Montreal is over-represented in the Cabinet, but that was not the case with Quebec, and it is even less so now. Mr Tremblay had no roots in the PQ and sowed dissension everywhere; on the contrary, Mr O'Neill earned his stripes and was always loyal and true.



Did Mr Levesque want to get rid of his extremes, of Mr Tremblay on the extreme right and of Mr O'Neill on the extreme left, to reestablish equilibrium at the center? If the uproar created by the first has already died down, the unwavering and articulate commitment of the second to independence will quickly appear as much more of an encumbrance. If Mr O'Neill was troublesome as a minister, what will he be now that he has the time to read, think, write, speak, now that he has regained his superb freedom of speech and of action? He is no longer minister, but he shall be the independence movement's conscience in a party which is no longer that...

#### Tremblay's Bitterness

Quebec LE SOLEIL in French 27 Sep 79 P A 7

[Article by Gilles Lesage: "Tremblay, Another Choquette?"]

[Text] October 1976. The campaign for the general elections of 15 November is already underway. Mr Rodrigue Tremblay, a brilliant young professor of economics at the University of Montreal, has a burning desire to be a candidate. He receives a telephone call from Mr Rene Levesque. Convinced that his hour has come, the professor rushes to the office of the Parti Quebecois leader and offers him his services. The county of Gouin is open, Mr Tremblay will be a candidate for it.

Some days later, it is perceived that the Mr Levesque in question was not the current prime minister, but a colleague of Mr Tremblay who bore the same name.

Whether or not it is apocryphal, the story resurfaced this week in government circles, eager to demonstrate that the exminister has always been devoured by extreme pride and ambition. Including Mr Levesque, who confides that he had made "an error of judgment" in naming Mr Tremblay minister, on the strength of his academic record and his highly-esteemed scholarly publications. But a question arises: Isn't 3 years a bit long to take to correct such an error?

But the gossip goes further on the Grande-Allee. Sure of himself, infatuated, Mr Tremblay saw himself as minister of finances or president of the Treasury Council, or at worst minister of state for economic development. He only resigned himself to industry and commerce as an apprenticeship and because his desire to be a minister was stronger than his disappointment.

#### Spite and Bitterness

Three years later, the hour of the shuffle arrived, it is the supreme insult: not only does Mr Levesque not give a promotion to Mr Tremblay, but he dismisses him and sends him to the back bench. Having seen the blow coming, the representative from Gouin calls a press conference, takes from his

pocket a long letter and a declaration making mention of his "sensational resignation." He tries to make believe that he resigned on his own initiative when he was really dismissed. The maneuver is a bit clumsy and fools on one.

But in acting as he did, under the influence of spite and bitterness, the exminister justified, without wishing to, the long-overdue decision of the prime minister to dismiss him.

Even worse, by revealing the deliberations of the Cabinet, he took the risk that his most justified criticisms might not have their proper effect, accompanying them with personal remarks against his colleagues and former friends. He overdoes it.

Rather than limiting himself for the moment to defending his record and to proclaiming his new colors, Mr Tremblay thought it good to speak against Levesque, Jacques Parizeau, Bernard Landry, Louis Bernard, Jean-Roch Boivin. Rather than expressing his grievances logically and in a calm tone, he pairs them with vitriolic remarks against that which he still adored the day before, at least publicly.

One has the vexatious impression that he was the only one who knew what was to be done and that he alone, in that court of great brains, had ideas which stood up.

Who Knows What Is To Be Done?

It's a shame. For despite a certain intellectual arrogance, Mr Tremblay has been a dynamic and active minister, who has pushed several projects. Of course, he would see himself in the boots of Mr Parizeau or of Mr Landry--which, to hear him tell it, would not come up to his ankle--but his denunciations would have some chance of being listened to if they were not characterized by acrimony.

By himself yielding to persiflage, Mr Tremblay is its victim in his turn. One learns thus that he was always the only one to know what was to be done, that he was allergic to all teamwork, that almost no one wanted to work with him any longer and that, in a word, it is good riddance to him! During this time, his sharpest observations are dismissed from consideration. Too bad!

Whether or not there are networks of influence--cliques, as he says--one rather suspects, and it is thus everywhere. But what is important to prove is that these influential men were wrong to suggest to Mr Levesque to lance the abscess. That, Mr Tremblay did not do.

Whether or not there are tensions between the "social" ministers and the "economic" ministers one suspects too, but Mr Tremblay has not yet proved that he did all that he should have done to develop his views, including alerting public opinion at need.

### The Pathetic Solos

Four years ago, Mr Jerome Choquette also left the Cabinet of Mr Bourassa with a great deal of noise, but of his own initiative and without vilifying his colleagues. He wanted to adopt the role of righter of wrongs, of mentor. However, he failed miserably and disappeared in November 1976 from the political map. When the wolves are howling, pathetic solos are not very convincing nor conclusive.

Mr Tremblay appears to me to be a second Choquette. And twice as bad!

### O'Neill's Potential

Quebec LE SOLEIL in French 27 Sep 79 p A 6

[Editorial by Paul Lachance: "Room for Dignity"]

[Text] Exminister Louis O'Neill has just accepted his demotion with a dignity, a calmness and a nobility of spirit which cannot fail to impress. A soothing contrast, in any case, with the infantile departure of his former colleague at industry and commerce.

It is obvious that the fact of seeing oneself "ousted" from a ministerial seat, especially if the reasons for it might appear to be more or less valid, is not likely to make the victim guffaw.

On this point, the representative from Chauveau does not stir up any bitterness, but brandishes, as a counterweight, a pungent humor which is much more likely to strike the intended target. Adn it cannot be denied that in this regard Mr O'Neill has reached his goal.

By choosing not to "make a national drama of his headaches," he gives a new testimony of the great personality which he has never ceased to be and which he transposed completely to his public role, that of loyalty to commitment and of intellectual honesty.

Thus, the press conference which he gave, Tuesday, permitted him to emphasize the strength of his convictions and the unswerving attachment which he maintains for the objective which he set for himself upon entering the political arena: the independence of Quebec.

Whether or not one is in agreement with the clear and precise choice to which he clings, which might well have earned him his "misfortune," one must recognize in strict justice that his militance remains free of any trivial form of opportunism.

"In politics," he declares, " I define myself above all as a militant separatist. The rest, representative or minister, is as needs and circumstances dictate." For anyone who is even slightly acquainted with the man, that has nothing to do with the sour grapes of the fable.

Mr O'Neill intends to use his new status as an excuse to pursue his commitment with more ardor and resolution. While admitting that the fact of going from minister to representative does carry with it some unpleasantness and some disadvantages, who would be in a position to deny it anyway, he strives to use as his text the positive aspects of the role of simple representative which he thus extols and revalues to its proper dimension.

This is the great lesson which must be retained from the remarks of this accidental politician who intends to resist any personal alienation.

In short, freed from the ore of his ministerial post, Louis O'Neill risks becoming more dangerous to his adversaries and more of an encumbrance to his party.

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## LIBERAL PARTY CONGRESS BACKS AWAY FROM SV COOPERATION

Copenhagen BERLINGSKE TIDENDE in Danish 24 Sep 79 p 5

[Article by Lisbeth Knudsen]

[Text] A deep sense of satisfaction with the work of the Liberal Party in the government coalition with the Social Democrats and strong support for the new nine-point program for the fall which the chairman of the party, Foreign Minister Henning Christophersen, will present to the prime minister today. Those were the conclusions of the 3-day national congress held in Falkoner Center by the Liberal Party.

During the political debate at the congress very few speakers called directly for breaking up the coalition on the grounds of Social Democratic unwillingness to solve the problems of the nation and the majority of the speakers hoped the nine-point program would create a new negotiating situation with the Social Democrats, thus making an election unnecessary.

The announcement of the Liberal government negotiation move in the chairman's speech yesterday morning introducing the political debate removed some of the discussion concerning the future course of the Liberal Party. Thus the many speeches that followed tended to be either for or against continued SV [Social Democratic-Liberal] cooperation along with expressions of approval for the new move. It is worth noting that very few details or separate viewpoints on individual issues were brought up in the political debate which normally ranges over everything from the economy to cultural and educational policies.

#### Profile

Liberal political spokesman Uffe Ellemann-Jensen said during the political debate: "The Liberals will not make use of this crisis in order to pursue class or special interest policies. It would be good if the congress backs the nine-point program. If we do that no one can come and say that the Liberals want to break up the government coalition. And

what good would an election do us? It's obvious that it erodes our political profile constantly to be pushing and shoving in order to get decisions to go the right way. But the Liberal profile has not been damaged by this and we can afford to say that now we must cooperate in order to solve some of the problems, the country must be governed. With the social contract, as the Liberal Party calls its move, we have shown that we are willing to lay ideologies and special interests aside. Now is the time when the government must carry out the promises it made when it was formed."

#### New Leader

Agner Jensen, Ribe County, called for an attempt to solve the problems instead of setting an election date. So did Liberal Youth chairman Troels Bronsted and many other speakers at the national congress.

Svend Heiselberg, Nordjylland County, stressed that it was now or never for government cooperation:

"For the Liberal Party the cooperation with the Social Democrats cannot be a goal in itself. The important decisions have been postponed. If the goals are not accomplished now there is no longer any use for government cooperation."

Several speakers at the meeting spoke favorably of the party's new initiative in the area of joint ownership rights. Among them were Erik Fabrin of Copenhagen and Bent Larsen of Glostrup. Jan Bredholm of Copenhagen had a special proposal to make at the congress. He said that the Liberals had got nowhere with the cooperation with the Social Democrats because they didn't want to take any responsibility.

"Therefore the Liberals should instead resume the old four-party cooperation and in order to present a 'purer' profile externally we should ask former Economic Minister P. Nyboe-Andersen to head a non-socialist government," said Jan Bredholm.

#### Nuclear Power

Member of parliament Jens Peter Jensen said at the meeting: "If a government party wishes to become part of the opposition no one can stop it. But we will show that the Liberal Party is capable of being a ruling party. What we have discussed here may have to be presented to the people very soon. Therefore we must stress when we leave here today that the Liberal Party is capable of running the government."

Liberal group chairman Svend Karlskov Jensen dealt in his speech with the government's decision on a popular referendum on nuclear power. He felt supporters of nuclear power would be best served by the time span for an



information campaign that has now been provided by the government decision. Svend Karlskov Jensen then mentioned problems with the areas the experts did not want to clarify in connection with the government request for an expert report on nuclear power. He was in favor of having the rest of the studies conducted by the Commerce Ministry.

"In the past we have appropriated state funds for studies by a more diffuse circle of people. This hasn't been very useful. There were far too many missionaries in the kitchen. Therefore the studies should now be conducted under ministerial responsibility." The Liberal group chairman had no doubt that nuclear power advocates could win a popular referendum after a good educational campaign.

The Liberal national congress did not--as reported in this paper--support a separation of church and state.

In the debate on the party's program it was stated that the "Evangelical Lutheran church is still the Danish state church to which most of the people belong." Liberal Youth had submitted an amendment to this saying: "As a consequence of freedom of religion a separation between church and state should be introduced."

The congress rejected the amendment by a large majority.

The Liberals reacted positively to using more money for defense and they felt upcoming defense talks must not result in a weakening of Danish defense.

Foreign Minister Henning Christophersen said at the Liberal congress yesterday that it is very important that Danish defense be such that those examining it from the outside feel that this opposition can be used--and that we as a people are willing to use it.

In the upcoming defense talks it will be of vital importance to guarantee a broad defense compromise and confidence in our defense must be preserved both in the general public and among defense personnel themselves.

Henning Christophersen said that conditions in the Middle East as well as in Southeast Asia are important to our own security. It was by no means certain that belligerent actions in these areas could be confined to them.

Foreign Minister Christophersen emphasized that Denmark's security policy continued to be based on our membership in NATO.

#### State Orders to Help Shipyards

As a step in the efforts to support the Danish shipbuilding industry the government will put out for bids the construction of a number of state

ships, Minister of Commerce Arne Christiansen said yesterday at the Liberal national congress.

BERLINGSKE TIDENDE has learned that these projects include a vessel for the Environmental Board, a trawler for Greenland, a cable ship and a new ferry.

In addition some of the much-needed modernization of the royal ship "Dannebrog" would be included in the program.

Including new ships for the navy has also been discussed but the results of the upcoming defense negotiations will determine this.

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## ANTI-EUROPARLIAMENT MOVEMENT DISCUSSES PLANS, ELECTS LEADERSHIP

Copenhagen BERLINGSKE TIDENDE in Danish 24 Sep 79 p 2

[Text] The People's Movement Against EC has only one real concrete goal, namely getting out of EC. At the party's national convention in Arhus this weekend no concrete proposals were presented as to how to accomplish this. No real program of action was adopted. Several speakers had the view that the fight against EC should take place in Folketing so that a popular referendum can be prepared. In addition the four elected EC parliamentarians will reject all proposals in the parliament.

The movement agreed to try to increase anti-EC information in Denmark. This will be done through an information center with divisions across the entire country, thus strengthening the opposition. Poul Overgaard Nielsen, a member of the movement's executive committee, told BERLINGSKE TIDENDE that it was not a goal for the meeting to produce a program of guidelines for the four parliamentarians in EC. "We have complete confidence that they will work in the spirit of the movement," said Poul Overgaard Nielsen.

However in a political resolution the group voted in favor of making sure that the European Parliament, despite all assurances, does not put military issues on the agenda. "This would open up new and dangerous perspectives in EC policy," it was said.

Due to the big organizational effort coming up the movement decided to expand the executive committee from 15 to 21 members. Before the election Sven Skovmand (R [Radical Liberal]) said he did not want to run for re-election now that he had been elected to the EC Parliament. Bent Brier (S [Social Democrat]) also said he did not wish to run. The new executive committee looks like this: Poul Overgaard Nielsen (R), Birthe Pedersen (independent), Kai Lemberg (independent), Henning Bjerg (independent), Niels Petersen (V [Liberal]), Christian Zastrau (S), Jorgen Mouritsen (ex-S), Ib Norlund (Danish CP), Grethe Rostboll (K [Conservative]), Bodil Emanuel (Danish CP), Torben Thomsen (ex-S), Arne Skovhus (VS [Leftist Socialist]), Arne Dahl Olesen (independent), Arne Rosenstand (SF [Socialist People's Party]), Villy Frolund Thomsen (Danish CP), Lene Rasmussen

(Danish CP), Kim Hilmer Petersen (R), Finn Slumstrup (SF), Karl Lerstrup (Free Scandinavia), Svend Sorensen (RFB [Single-tax Party]) and Niels Molgaard (RFB). Kurt Bernheim (SF), Karen M. Kirk (RFB) and Knud Lunoe (independent) were not re-elected.

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## GREENLAND PARLIAMENT DEBATES EUROPARLIAMENT, TAXES, U.S. BASES

Copenhagen LAND OG FOLK in Danish 19 Sep 79 p 6

[Text] The head of the government of Greenland, Jonathan Motzfeldt, during the opening debate of the national assembly Monday in Nuuk (Godthab) accused the Danish government of unwillingness to support the desire in Greenland for special EC status.

The government there has been negotiating with the Danish Foreign Ministry on new special arrangements for some time, especially in the area of fishing, but according to the head of the Greenland government the ministry has not been too interested in presenting the Greenland wishes to EC.

In his opening speech Friday Motzfeldt, whose Siumut ["Forward"] Party opposes continued EC membership for Greenland, said that EC could not satisfy Greenland's wishes and now the government would like to discuss other expedients with the Danish government.

This statement touched off criticism from the opposition party, Atassut ["Mutual Cooperation"], which overwhelmingly supports EC.

Thus Atassut group chairman Lars Chemnitz said during the opening debate on Monday that it was a hasty remark revealing a "lack of tactical flair in international negotiations," fearing that this would make further negotiations with EC impossible.

#### Work Permits

After protests from Danish political circles and employers in Greenland the government of Greenland gave up plans for introducing residence and work permits for foreigners in Greenland starting 1 January at least for this legislative year.

The original plan was to complete debate on the controversial bill in the fall session of parliament that just began in Nuuk (Godthab) but the

business representative in the government, Lars Emil Johansen, said that he would recommend that the third and final debate be postponed until next year's spring session.

In the meantime he will set up a working group representing Danish and other interests to study the judicial aspects of the bill more closely-- e.g. representatives of the Ministry of Labor, the Ministry of Justice and the Ministry for Greenland.

Lars Emil Johansen feels that the law is an absolute necessity based on predictions concerning the labor market in Greenland which indicate that around 10,000 new jobs must be created within a few years.

#### Tax on Danes

The increasing expenditures involved in the introduction of home rule in Greenland will at first be partially financed by taxing the formerly tax-free base areas in Sondre Stromfjord and Thule, imposing a special national income tax starting on 1 January.

The overwhelming majority of residents in these areas are Danes who in the past enjoyed total freedom from taxes in Greenland even though they do not have to pay taxes in Denmark either after residing in Greenland for a 2-year period.

According to the Greenland Radio news service the announcement that residents of the base areas would be taxed has led to some concern among foreign personnel and sources in Sondre Stromfjord told the radio that several colleagues had left early for that reason.

A representative of the Danish firm, Danish Arctic Contractors, DAC, which is mainly involved with doing contract work at the bases for the American authorities, was afraid that DAC might not be able to continue to compete with American firms if its personnel demanded compensation.

Today DAC employs about 1000 people at the two American bases in Greenland.

#### Tax on U.S. Bases

The government's consideration of introducing some kind of tax on the American bases in Qanaaq (Thule) and Kangerlussuaq (Sondre Stromfjord) failed to gain opposition support.

Lars Chemnitz feared that this might lead to such counter moves as greater American resistance to Greenland wishes in connection with the division of salmon quotas, among other things, in international negotiating sessions.

Otto Steennoldt, who is also an Atassut representative in Folketing, pointed to the services Greenland has obtained because of the presence of the bases and he predicted that such a move might lead to the Americans closing down one of the air bases.

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## DENMARK SEEN MAKING SAME ECONOMIC MISTAKES AS IN 1974

Copenhagen BERLINGSKE TIDENDE in Danish 21 Sep 79 p 10

[Commentary by Frank Dahlgaard]

[Text] They say that history never repeats itself. Even so there are a disturbing number of similarities between the economic situation in 1974 after the first oil crisis and the economic situation today after the second oil crisis.

Then as now worldwide inflation rose, the money market was jumpy and gold prices exploded. And just as in 1974 discount and interest rates are rising while a new economic recession with rising unemployment is developing.

If the big industrial nations now tighten up their economic policies with tax and duty increases the similarity with 1974 will be almost perfect. They would then be making the same "collective mistake" they made in 1974 when all these countries simultaneously tried to lower their balance of payments deficits by putting the brakes on import demand. As we know the result was a decline in export opportunities for all countries and this heightened the depression after the first oil crisis.

### Three Big Mistakes

In Denmark the similarities between the situation now and after the first oil crisis in 1974 are also unpleasantly obvious. At that time three big mistakes were made in the area of economic policy and there is much to indicate that these mistakes will be repeated now:

1. In 1974 we allowed the automatic cost-of-living regulation to set off a wage explosion that undermined Denmark's competitiveness.

2. We passively allowed the Danish kronen to appreciate as a result of exchange rate declines in a number of foreign currencies. This helped to weaken Danish competitiveness.

3. In 1974 financial policy was tightened with compulsory savings plans and "exchange protection taxes." The result was a boost in the rate of mounting unemployment.

However Denmark's starting position today is considerably worse than it was when the first oil crisis began in the winter of 1973/74.

At that time we had fewer than 25,000 people out of work and a foreign debt of only 19 billion kroner (corresponding to 12 percent of the national product). Now we have 160,000 people out of work and our foreign debt is 68 billion kroner (corresponding to 22 percent of the national product).

#### Forced to Behave Stupidly

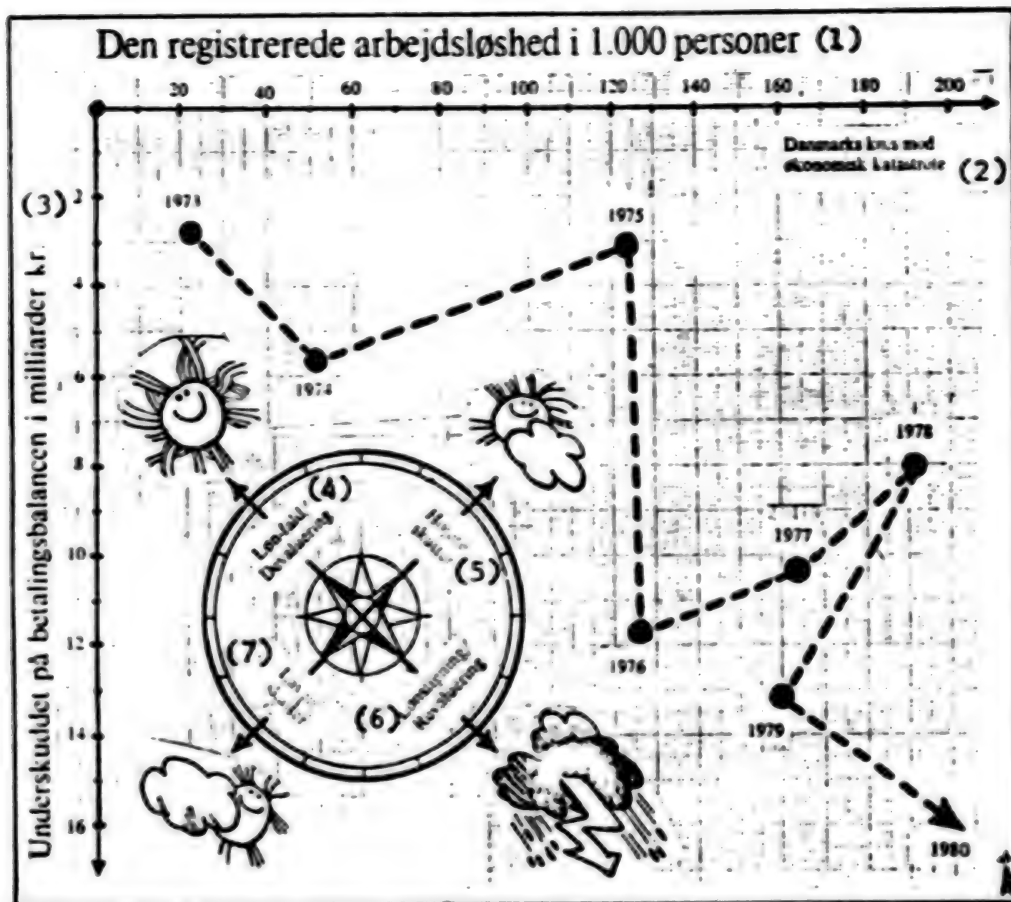
In this deteriorated situation we do not have the same economic-political opportunities we had in 1974. Thus today we cannot avoid tightening our financial policy with new taxes and savings cuts even though this will increase unemployment. Our alarming balance of payments situation forces us in a manner of speaking to make the stupid error of tightening fiscal policy once again.

But we could prevent a new wage explosion from developing. This of course would require intervention in ratified contracts--primarily by suspending cost-of-living adjustments to wages. Without such intervention three whole cost-of-living increments will fall due at once in January, the same thing that happened in 1974....

The latest OECD report on Denmark provides an illustration of the deterioration of the Danish economy which BERLINGSKE TIDENDE shows here in a slightly altered form. The illustration shows the combination of unemployment and balance of payments deficit year by year. A movement toward the "east" on the chart indicates more unemployment and a movement toward the "south" a greater balance of payments deficit.

#### Zigzag Course

It can be seen that since 1973 we have moved "southeast": both unemployment and deficit have grown. But the economic course since 1973 has fluctuated: from 1974 to 1975 the payments balance deficit declined thanks to the fiscal austerity of 1974 but on the other hand unemployment rose to over 120,000. Shocked by this development the politicians at the end of 1975 temporarily reduced the value-added tax (and provided income tax relief from 1975): resulting in record growth in the payments deficit but almost no rise in unemployment.



Denmark's zigzag economic course since 1973.

The illustration shows the combination of unemployment and balance of payments deficit in Denmark over the last 7 years. Year after year we have moved toward greater unemployment and/or a larger deficit in the balance of payments.

The economic-political "compass" shows that improving competitive capacity is the only thing that can bring Denmark on the right economic course.

Source: OECD report on Denmark, p 34 and new material from the economic experts.

Key:

- |  |                              |
|--|------------------------------|
| 1. Registered unemployment in thousands              | 4. Wage decline/devaluation  |
| 2. Denmark's course toward economic catastrophe      | 5. Higher taxes              |
| 3. Balance of payments deficit in billions of kroner | 6. Wage increase/revaluation |
|  | 7. Lower taxes               |



Since 1976 the annual August compromises (the tax bouquets) have reduced the balance of payments deficit a little but unemployment has risen correspondingly. In 1978 there were over 190,000 people registered as being unemployed.

This year the deficit is increasing again while unemployment declined to around 160,000--due primarily to retroactive wage payments.

Now however Denmark's economic course is the worst possible: we are heading "southeast" at full speed and unless steps are taken to intervene we will have over 200,000 people out of work in 1980 and a payments deficit of around 16 billion, according to the latest predictions by the economic experts.

#### Possibilities Now

What should the government and parliament do in this situation?

Actually this appears quite clearly from the economic-political "barometer" in the illustration, which was presented in more technical form at a conference held by the economic experts in Copenhagen 2 weeks ago.

Developments cannot be shifted toward "northwest" unless Denmark's competitiveness is improved. Here the economic experts pointed to such things as wage reductions or a wage freeze, perhaps in combination with a devaluation of the kronen. (But a devaluation without taking steps against wage hikes would be meaningless according to the economists.)

The chart shows that neither higher nor lower taxes alone can solve our problems but of course methods can be combined. Since as we mentioned we are forced to reduce the payments deficit quickly, we can at best steer toward the "north" by combining fiscal policy austerity with a wage freeze.

But our balance of payments problem is now so alarming that the conservative plan of steering toward the "west" with a wage freeze combined with tax relief appears problematical.

To permit a further appreciation of the kronen or the development of a new wage explosion as in 1974 would be the worst course imaginable for Denmark. We would be heading directly toward economic catastrophe.

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## STRAUSS STILL LACKS POLITICAL PROGRAM

Bonn DIE ZEIT in German 19 Oct 79 p 1

[Article by Rolf Zundel: "Refuge in Proclamation"]

[Text] At times a joke may do more to illuminate the plight of politicians than even the most careful analysis. The following story, recently circulating in Bonn, may serve as an example:

Bonn journalists are asked to assemble at one of the bridges across the Rhine; they are told that they will there witness an astounding event. They come, and while they are waiting the Chancellor drives up, descends from his car, walks on the water around one of the bridge supports, returns to his car and drives off. Next day the BAYERNKURIER comments: The Chancellor turned back halfway across, and the BILD-ZEITUNG sports the headline: Helmut Schmidt Unable To Swim.--The joke may also be told the other way round: Helmut Schmidt crosses a puddle, and newspapers close to the government report: Not even floods can hold back the Chancellor.

The story underlines the old saw that those who root for the opposition will not applaud anything the government does--and vice versa, that friends of the government tend to represent its achievements--however modest--in the very best light.

Improving matters, or at least preventing them from getting worse, that is the daily business of politics. Official presentations rarely put it that way. The Federal Government does not try to keep the danger of war to a minimum; it pursues peace. The opposition does not desire less government interference; it proclaims a new rule of freedom. Totally disdained is the comparative degree, the undramatic more or less which is open to reflection or discussion. Absolute terms predominate. Necessarily any political achievement must pale when viewed in this light. Any reality is bound to become insignificant when measured by such elevated standards.

In its early years the social-liberal coalition aided and abetted the exaggeration of political claims. It cast its net wide: Reconciliation with the

East and democratization at home. It stirred up a lot but achieved much less than it had proposed,--and also some things that it had certainly not intended quite that way. It was thwarted by psychological, financial and power political limits, ultimately also by the limits of enlightenment. Insofar the change from Brandt to Schmidt was not accident, in fact it was quite logical. The politics of the Schmidt/Genscher Government are marked by cautious conservatism, not particularly inspired and not without weaknesses. They do, though, maintain a quite respectable standard. "Healer" Kohl (if he had been given a shot at that job) was forestalled by "normalizer" Schmidt.

The fact that the opposition tended not to be able to offer any alternatives on issues was certainly not due to either malignity or incapacity. Nor is it an accident that, in European terms, the Federal Republic by no means impresses anybody as "leftist," that English Prime Minister Margaret Thatcher and French Premier Raymond Barre consider conditions in the Federal Republic in many respects exemplary.

#### Readiness for Radical Change

The English example, incidentally, shows particularly well the paralyzing effects on a society of stop and go, that is of relatively short-term policy changes. True, in her country Margaret Thatcher has now found a widespread readiness for even fundamental change. But may the same thing be said of the Federal Republic? After 10 years of coalition there does appear to be some willingness for change, but is it willingness for radical change?

It's time for a change--that is the battlecry of every opposition. Its arguments are nourished by the assertion that the government is used up, tired, in the grip of inertia. The opposition normally profits from government mistakes. Its polemics may well intimate that it considers government policies dangerous or downright calamitous. It is an exception, though, for the opposition systematically to use the classification of good and evil--or at least it should be the exception. These are terms by which to interpret revolutionary situations. Some representatives of the left extraparlimentary opposition did just that and came to grief thereby.

These, though, are precisely the terms currently employed by Union chancellor candidate Franz Josef Strauss. He is blowing up to what amounts to an apocalyptic vision the interpretation of politics which, painfully and not always successfully but at least to some extent, had been returned to a sensible scale. When his deputy asks him in public "give us hope, opportunity and future," politics are transformed into a revivalist movement.

It is hard to decide in how far Strauss considers himself the protagonist of political change, or in how far others have made him appear so. It is quite possible that he is occasionally sickened by the hype which represents him to the public as the man with the absolute historical mission and the power of a bulldozer. For the ultimate effect it makes little difference, though, whether he is more actor or prisoner of his mission.

The Strauss movement has long achieved a momentum of its own. Those who insist on his candidacy for the chancellorship did not much use the power of argument. If they had done so, they would most likely have failed. Instead they put their trust in fear: Strauss or the fourth party. Mature political structures were questioned; the fate of the Union paled against the opportunity of smoothing the way for Franz Josef Strauss. The game plan on splitting the trade union also demonstrates that disregard for traditional institutions, which is common only to revolutionary movements: Good is what is expedient.

Lastly the debate generated by Strauss aides as to what is socialist in national socialism: As if this were something needed to illuminate history! Here the stage is set for the election campaign, so that the savior from collectivism may make his imposing entrance. If, in so doing, a piece of political culture should be demolished--so what. The great change justifies everything.

Have we not experienced all that once before--on that occasion from the left, more youthfully and amateurishly, but with the same rigid insistence on change compared to which institutions and traditions are considered meaningless? Forgotten in those years also was the liberal appreciation that the end may not corrupt the (political) means. Then also the ruling mood was one of belief in miracles, although irrationality hid behind the spearheads of the late enlightenment. But is a salvation movement less dangerous when operating with more modest intellectual equipment, with greater emotional impact--when it is organized as Munich populism with professional calculation?

#### Thunderclaps

Or is none of that meant seriously? In contrast to the thunderclaps, to the accompaniment of which the great change is proclaimed, Franz Josef Strauss' plank has so far remained inconspicuous, yielding and lacking any precise outline. Consider family policy, for example: Strauss has accepted more of those CDU demands which he used to suspect of social democratic provenance than its champions in the Adenauer Building would have dreamed. His attitude to the Brezhnev proposals was as cautious and diplomatic as if the Foreign Minister had dictated his comments. Altogether, when we scrutinize Strauss' attitude to many practical issues, he appears far less flamboyant; in fact he is a man who always appreciates the realities, as long as they are backed by power, and who has a well developed ability for amazing compromises and for quietly evacuating untenable positions. From that aspect little seems to justify either the hope or the fear of a great change.

Sometimes the impression arises that Strauss takes refuge in the proclamation of the great change just because the actual margin for change is so slight. At this point we perceive a profound discrepancy--between the missionary role into which he was urged by others and the practical policies which Helmut Kohl would not have defined very differently. Strauss works with the concept of the "historic moment" which may never return. But his actual conclusions

remain vague, just as at this point it is impossible to discern who will be his choice for senior government jobs.

The Bavarian is far more reticent than Margaret Thatcher whose election plank actually was her government program also. She showed plainly that she wanted power in order to be able to make changes. Strauss has begun by proclaiming the great change in order to get power. In fact he is asking for a kind of blank check for the putative historical leader. Nobody can be certain how he would spend it.

Strauss clearly surpasses the Chancellor in his feel for irrationality, the mobilization of the political belief in miracles. By contrast Helmut Schmidt and his partner Hans-Dietrich Genscher seem positively dull. Their scope is evident; their decisionmaking criteria are obvious and calculable. In the positive as well as the negative sense far greater expectations accompany Strauss.

People expect stability from Helmut Schmidt, sobriety, the mastery of the craft of politics; he does not walk on the waters. Strauss is expected to work miracles: Franz Josef, give us hope! This kind of talk was not heard even in Willy Brandt's heyday. Messianism has erupted full force in German politics. The hangover cannot fail to follow.

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## SCHMIDT, KOHL DISCUSS SPD POLICIES

Bonn DIE ZEIT in German 19 Oct 79 pp 10-16

[Text] On 28 October 1969 Willy Brandt issued his first government declaration. Federal Chancellor Schmidt and opposition leader Kohl draw up the balance sheet of the social-liberal coalition 10 years after, defining the position of Bonn politics.

## Helmut Schmidt: Ten Years of Sensible Politics

## I.

"We will do it!" When, in the election night of 28 September 1969, Willy Brandt and Walter Scheel made each other that promise, they came to a bold decision in a twofold sense.

For one: The Federal Republic had gotten used to large government majorities; the social-liberal coalition, though, had only 12 seats more than the CDU/CSU nor could it boast domination of the Bundesrat. Konrad Adenauer alone had begun in 1949 on a similarly slender base but--with the exception of the Social Democrats--was confronted only with a fragmented opposition which, in the wake of his rein, increasingly feel prey to complete dissolution.

For the other: For the first time a democratic change of government was to occur in the Federal Republic, turning out the conservatives who used to consider themselves the only ones "capable of sustaining the government." Since the middle of the last century social democracy and liberalism had been the political forces which collected the new social and intellectual streams of the times. But whenever in Germany they came close to involvement in political power, they were prevented from such involvement by slander and fragmentation, by the distraction or destruction of progressive forces. That is what happened to the bourgeois liberation movement in 1848, to the liberals at the time of the Prussian constitutional clash around the establishment of the Reich. Later on social democracy was proscribed and persecuted. In 1879 Bismarck called the political aims of the National Liberals "undermining of the Reich's continued existence just as much as the social democratic

undermining." In the Weimar Republic antiliberalism and the fight against social democracy were the common ground of reaction and all the forces strenuously opposed to the republic, however disunited they might have been in all other respects.

In 1969 this historic background was vividly in the minds of many citizens. They envisioned a major step forward if democratic change in government was not proven ephemeral but actually managed to maintain itself in power.

Incidentally, the decision to establish the social-liberal coalition would have been unlikely if the SPD and FDP had not for the first time formed a coalition a few months earlier: On the occasion of Gustav Heinemann's election as Federal President. Heinemann was a citizen in the best sense of the term: A professed Christian, a man who had consistently resisted national socialism, had hoped for a new beginning with the CDU and, disappointed, fought with his All-German Popular Party for keeping the cohesion of the fatherland--and failed, and who had ultimately become a Social Democrat. He combined commitment and sobriety, the will to reform and the sense of tradition, social obligation and liberalism.

For many years the social-liberal coalition served as a symbol of hope. The Federal Republic had existed precisely 20 years. In that time people had worked for reconstruction tirelessly and successfully from the economic aspect. A respectable republic had arisen from the political, moral and economic chaos of the postwar era. According to FDP election campaign literature, though, many "old stick-in-the-muds" were left. It had become evident in the 1960's that the newly grown self-confidence of the Germans as well as the problems accumulated required a republic willing to change. True, the 1966 grand coalition had responded to this wish by involving the SPD; but, given the immobility of the CDU/CSU, the grand coalition was not able adequately to accomplish its reform assignments. This held true especially for foreign and German policy. At the same time the FDP parliamentary opposition was too weak in the late 1960's--and the consequence was the extraparlimentary opposition.

It would be wrong to dismiss as a left radical aberration the revolt of the young generation, especially in the ranks of the students. The unrest then erupting was a sign of youth's readiness to accept democratic commitment; it displayed sensitivity to the necessity of changes and reforms in our country. I would like to advise the German conservatives who have always disputed these necessities to read their own classics. As long ago as 1790 Edmund Burke wrote: "A government lacking the potential for change also lacks the potential for self-preservation. Without such a potential it risks the loss of even those elements in its constitution, which it desires most to preserve."

## II.

Willy Brandt's first government declaration of 28 October 1969 focused on logical internal reforms. However, the first real battleground was the new Eastern policy.

I do not need here to list the waystations. Its difficulty did not consist solely, not even primarily, in the need patiently and sensibly to reestablish bridges with our neighbors in the East, capable of spanning yawning chasms of alienation and mutual distrust. Serious obstacles to the realization of this policy were raised by the CDU/CSU opposition which used every means at its disposal to torpedo the treaties. On the surface the opposition was concerned with the allegedly frivolous handling of the negotiations or the yielding of legal strongpoints. Basically involved was the opposition's hostile perception of the Soviet Union and communism, and its internal function in the struggle for the power the CDU/CSU had lost. Incidentally, that is the opposition's chief concern to this day.

There could possibly be any other explanation for the opposition's inflexible resistance to the new Eastern policy. The real leader in this struggle was Strauss. Barzel was unable to prevail over Strauss because he actually approved segments of our foreign policy as well as of the new internal beginnings. Strauss and others with him insisted on total opposition. Rarely has this fact been proclaimed so frankly and without any embellishments as on 4 February 1972 here in the ZEIT by former Foreign Minister Gerhard Schroeder: "Current politics do not serve the unification and further development of all forces here at home, that is the lasting reinforcement of the Federal Republic. Instead they open--so to speak parallel to the treaties--a fatal shift to the left...Therefore the 'no' in matters treaties does not only represent a statement on foreign policy; it also underlines a necessary attitude to domestic politics."

The attempt to overthrow the Federal Chancellor by a no-confidence vote and get the government to fall by means of the Eastern treaties aimed mainly at restoring political power to the CDU and CSU. The 1972 elections represented a virtual plebiscite on Eastern policy though several other issues obviously also decided the outcome of the election campaign.

By their Eastern and Germany policy the Federal Government and the coalition pursued four linked targets: To strengthen peace, safeguard Berlin, initiate reconciliation with those peoples who had suffered most from Hitler's aggression, and to ease the side-by-side lives of people in divided Germany, thereby contributing to the cohesion of the nation. The Eastern treaties uphold the option of German unity. At the same time they are directed against the split in Europe.

The Eastern policy of the social-liberal coalition always kept within the framework of the Western Alliance which combines the need for military security with the aim of readiness for political agreement. The United States and our other Western Allies have supported this policy--otherwise it could not have been pursued. Removed thereby was the danger--apparent first in the 1960's--of the Federal Republic's foreign political isolation. In fact our foreign policy, designed to maintain a balance, became the decisive prerequisite for European detente as a whole: Helsinki, Vienna (MBFR [mutual and balanced force reduction]), and so on.



Our country thereby acquired the world's trust and greater respect and, at the same time, also greater and wider ranging political responsibility. The fact that a German statesman was presented with the Nobel Peace Prize and later awarded the chairmanship of the international North-South Commission demonstrates the world's appreciation of that which began 10 years ago with the new Eastern policy. For its successful realization this policy required elan and emotion, dynamism and a language and argument designed to catch people's imagination. Willy Brandt did full justice to this requirement. Together with Walter Scheel he succeeded in achieving a breakthrough for peace, which could not have been done unless he had touched the hearts of men. We were not in a position to assume that the Germans were prepared for a peace policy after a long period of cold war; as late as 1966 only 32 per cent of FRG citizens were willing to resign themselves to the Oder-Neisse line (Allensbach, February 1966).

Detente requires patience, self-confidence and imperturbability--even in the face of temporary setbacks. Ten years ago I put it like this: "We need to be realistic if our will to peace is to bear fruit." This readiness to be realistic is in back of our efforts to breathe life into the treaties with the Warsaw Pact countries and use them for the benefit of mankind. In the last 5 years we have enjoyed significant progress. Among others we have made it possible for Germans in Poland, who want to leave that country, to come and settle here in the Federal Republic. We also made it possible for traffic links with Berlin to be further improved, for tourist traffic between the two German states to rise substantially, and for economic exchanges to develop--to our mutual advantage.

Such advances needed and continue to need policies which are both consistent and persistent. We must calmly accept setbacks such as are involved in an Echterbach jump progression, that is the only way of ensuring steady progress. I foresee a similar development in the current East-West controversy about continental-strategic weapons. We will in future achieve a further easing of the situation of people in both German states, provided that we keep our tempers and our resolution.

Decisive here will be German judgment, our capacity to understand the situation of other countries and peoples, respect their interests and take their anxieties seriously. Also crucial is our firm adherence to our own defense alliance and the European Community, our solid links with France, to which we have assigned a higher status in the course of the social-liberal coalition than at any time before. We will not forget the memories and fears left behind by World War II, Auschwitz and Ouradour. They will tend to hang on all the longer the stronger our country appears from economic and political standpoints. The social-liberal coalition has never fallen victim to the danger of forgetting the past. That also has helped it raise Germany's status and influence the world over.

### III.

The efforts to strengthen peace abroad were matched by a policy of internal and social peace. This goal was and is served by the internal reforms carried out by the social-liberal coalition.

A policy of social peace does not deny the existence of political and social conflicts. These are a vital element of our liberal constitution; they are part and parcel of a democratic society. The conservative concept of a fore-ordained harmony is bound to have the corollary that everyone disturbing this idyll must be declared an enemy. In this meaning I considered a concept dangerous to our democracy the slogan of the "lined-up society," current at the time of Ludwig Erhard's chancellorship. Shortly after this slogan gained currency the social-liberal coalition offered a fundamentally different policy and managed to implement it. We did so by admitting the fact of social conflicts.

It means much for the social peace in our country that the coalition succeeded in the exemplary organization of our economic constitution. As far as I am concerned the 1972 law on the constitution of enterprises and the 1976 law on codetermination in major firms are milestones in this development. They represent the real cause of our relative economic advance by comparison to other democratic industrial societies: The far reaching involvement of employees and their autonomous trade unions--farther reaching than in any other country anywhere. The ability of the parties to the collective agreements to solve their conflicts by means of compromise and partnership, in other words to conclude contracts which represent the result of compromise, requires government support on the sidelines unless it is to grow unmanageable. Required therefore is a social policy aiming for "social symmetry."

It is this assumption which makes for crucial differences with the social plank of the CSU and CDU. Conservative and social policy has a significant tradition in Germany; it may be traced to the Bismarck era and beyond. It does not acknowledge the assumption of the same right of all to participate in prosperity and welfare. Especially in recent years we have witnessed an influx of strength for those in the CSU and CDU who are critical of--if not totally reject--the concept of the social state. Disguised variously by such terms as "denationalization" or "individual responsibility," this looks a great deal like social Darwinism; for broad strata of our people it would have dire consequences.

The liberation of man from materially unseemly circumstances as the guiding thought of social policy is a prerequisite for the citizen's ability to act responsibly and freely--not vice versa! It is here that we see that basic clash of the past 10 years between the social-liberal coalition and the opposition. I assume that Strauss' well-known attitude to the social state will exacerbate this conflict in the coming years.

#### IV.

Anyway, 10 years of work by the social-liberal coalition have succeeded in considerably raising material prosperity. Our citizens observe that with a great deal of complacency. These are the fruits of pulling together, achieved by the perseverance and diligence as well as the economic prudence of individuals and social groups. This economic success is all the more significant as we were compelled by the adversities of the worldwide economic and energy crisis to navigate in rough seas. Few other countries have done as well.

With respect to employment, the checking of inflation, productivity, real net wages and real social security incomes we hold a leading position in Europe and the world, sharing it with only few other nations. This should certainly not be taken as a matter of course--it was neither planned nor foreseen at the beginning of the social-liberal coalition.

On the contrary. This era began with the rather naive concept of a more or less self-perpetuating continuity of economic development. Earlier other countries in the Western democratic industrial world had, with the same unquestioning belief, relied on steadily rising economic and financial capacities; this held true especially for the United States which, in the era of President Johnson, believed to be able to finance a costly war in Southeast Asia without any adverse effect on their internal reform program. The subsequent flooding of the world economy with dollar liquidity was the most important single cause of the world economic oil crisis which began in 1973. Yet the signs of an imminent world structural economic crisis had emerged some time before.

As far back as 1969 the social-liberal coalition responded by initiating a series of revaluations for its own D-marks. In spite of that the system of fixed exchange rates between dollar and D-mark broke down between the summer of 1971 and the spring of 1973, because the social-liberal coalition in Bonn was far more conscious than other governments of the peril represented by inflation. When, in spring 1973, the Bretton Woods world monetary system finally collapsed, the Federal Government (together with the Bundesbank) steered a course directed primarily to stability. In the wake of the first oil price explosion it had to be substantially adjusted only 6 months later. Nevertheless it was highly successful by comparison to other countries.

Our success based largely on the combination of the responsible behavior maintained by the unified German labor union (which thereby managed net and real achievements for its affiliated employees far in excess of most other European trade unions in the same period of time) and equally responsible government monetary, financial, taxation, budget and social policies. "Concentration" on the core of the reforms, that is the temporary renunciation of expensive expansions in favor of a sound foundation of social security, made possible the "continuity" of reform. At the same time we succeeded--despite the demagogic disparagement by CDU and CSU--in credibly explaining to the majority of voters the world economic and internal domestic relations involved.

This was the basis of the social-liberal success in the 1976 Bundestag elections. It was less ample than in 1972, 4 years earlier, when widespread indignation with the attempt to torpedo the peace policy had helped the social-liberal coalition (and especially the SPD) to score its largest majority yet.

It is not necessary to be a Marxist to appreciate that it was the preservation of a sound and stable economic "infrastructure," which made it possible to this day democratically to pursue the reformist "suprastructure." In other words: The citizens realization that they are living in external and internal, economic and social security has allowed the social-liberal coalition to pursue its reforms at home and its peace efforts abroad. Other than has been the case in other democratic countries equally afflicted by the world economic crisis, the legislative majority and the government in Bonn were never in danger.

V.

The constitution decided on an open society which must allow scope for a variety of beliefs, opinions and lifestyles. In the first 20 years of the Federal Republic, due to postwar misery, reconstruction and a conservative social policy, this pluralism had gotten the short end of the stick, although it was certainly needed from the standpoint of ethical standards and values.

It is among the most significant achievements of the social-liberal coalition in the past 10 years that it improved the opportunities for greater social, intellectual and political variety. There is now less narrowness and more tolerance.

Let me use the example of penal reform to demonstrate what legislation has contributed to this achievement. Agreeing with the constitution, criminologists had long maintained that it is not the business of the penal code to impose the moral concepts of some groups on society as a whole (complete with legal sanctions). It is the duty of the penal code to defend the individual or society against any threat, in other words to combat social damage.

The pluralism of our democratic system calls upon all groups to desist from imposing their concepts on those who do not share them, especially when it comes to the resources of the penal code. That was the goal of our reform. It should not be equated with foregoing value criteria in the legal system generally, but it does mean that we restrict ourselves to those ethical standards which the constitution has proclaimed as properly the business of the state or on which society is generally agreed.

I am quite deliberately quoting this example of the development of liberalism in our country in answer to the assertion that the legal state has deteriorated. The social-liberal coalition has reacted calmly, appropriately and without dangerous emotionalism to the challenge of terrorism--exactly as needed to ensure the defense of our citizens and our democratic institutions without restricting the institutions of the liberal legal state by legislative or executive overreaction. Excessive demands by the CDU/CSU were rejected; Strauss was unable to prevail.



The successes and achievements of the social-liberal coalition carry weight for the future of our country. Were there no mistakes, no negligence? I cannot and do not claim that.

I am aware that many citizens saw their hopes disappointed. In 1969 expectations were very high indeed, and it was generally hoped that new horizons would open after 20 years of conservative policies. For some enthusiasm ranked higher than that sobriety and persistence which alone are able successfully to carry out reforms. Everyday politics have forced us back to this sobriety without which no political progress is feasible in a democratic society. But, and here I return to my remarks on our peace policy: The many incidences of resistance to reforms could not have been overcome without the impetus provided by hopes and expectations. I must admit that, in recent years, the balance between sobriety and persistence on the one hand and hope and imaginative expectation has tended to shift toward the former.

Still, many people have tended to underestimate the resistance to new political initiatives experienced by the social-liberal coalition. This resistance was considerable: For nearly 10 years the coalition has fought to carry its political goals against a Bundesrat majority dominated by CSU and CDU, and which sought to block or enasculate many bills enacted by the Bundestag. Lately Herbert Wehner talked about the CDU/CSU's incapacity to provide a proper opposition in a parliamentary democracy. His assertion was underlined by the famous Sonthofen speech of F.J. Strauss: He always insisted on total confrontation and total opposition. He had quite a few followers in this endeavor and was always the real leader of the opposition. By contrast to him the official chairman of the Bonn CDU/CSU parliamentary group were not particularly effective. Strauss' nomination as chancellor candidate merely reveals to the general public the true power status which has long prevailed. Insofar this removal of long-standing camouflage accords with democratic hygiene.

I am not talking of opposition resistance in order to deflect attention from our own mistakes and omissions. Let me deal in greater detail with two sectors where our ability to learn is particularly important if we are to successfully confront the 1980's: The problem of integrating the foreign workers and the difficulties involved in the reciprocal relations between the state, society and the young generation.

Our society has called on the foreign workers because we needed this manpower for the successful expansion of our economy, for meeting the growing demand for labor and services. So far we have done little to integrate them. The problem arising therefrom for individuals as well as for the internal peace of our society are steadily acquiring greater urgency. By now the children of these foreign workers have grown up; many were born here, speak German better than their parents native language, and many do not wish to return to the land of their fathers. It seems obvious to me that they must be given the opportunity not only formally to become German citizens--if we wish to properly discharge our responsibility.

Among the young generation a single event has cost the responsible politicians in the Federal Republic a great deal of credibility: I am speaking of the 1972 "extremist resolution." When the Federal Chancellor and the heads of government of the Laender adopted this decision, they intended--on the basis of existing and merely confirmed law--to arrive at a standardization of the reviewing and hiring practice concerning applicants for the public service. This goal was not achieved. Instead we experienced a bureaucratic proliferation of the reviewing apparatus, which had certainly not been intended initially. This practice induced anxiety among the young generation, far in excess of the limited circle of those who in fact had reason to fear investigation.

It is another matter that these fears were consciously exploited and farmed by communist and illegitimate forces, up to and including a campaign of slander against the Federal Republic generally, as if the republic were a police state out to punish every unwelcome opinion with arbitrary "professional bans." Yet it was imperative to change the investigative practices which had developed after the 1972 decision. Consequently the Federal Government and those Laender not ruled by the CSU or CDU gave up the regulation inquiry. In any case the "yield" and the cost of these investigations were as disproportionate as they accorded ill with the self-confidence appropriate to a liberal republic which is approved by the overwhelming majority of its citizens.

This occurrence is a prime example of the need for politicians to have the courage to reexamine earlier decisions if their implementation shows that they were wrong.

Talking of corrections, let me also mention the pension discussion of 1976. The pension financing forecasts had turned out to be unduly optimistic. Though this did not involve "deliberate deception" (to quote F.J. Strauss), we had in fact assumed sober economic forecasts to be realistic, which were superseded by later trends and new economic prospects. It was most unpleasant to have to acknowledge such mistakes and to have to admit them in public. Nevertheless I did just that in December 1976.

A politician must try to foresee where and how new trends will exert their effects. Another example worth quoting is media policy. Fifteen months ago I published in the ZEIT a "plea for a day without television." I was concerned with an initiative for bringing closer family and society. At the time many asked whether this had anything to do with the duties of a federal chancellor. Today I see with great satisfaction that the media political discussion is taking seriously the danger of the endless expansion of television potential, a danger which, in view of the introduction of "new media" simply must enter general consciousness to the appropriate extent.

By now we have come to recognize more and more clearly that we must prevent a new division in our society: A division into those who still read a little and are therefore better informed and those whose view of life is determined entirely by television. Three weeks ago the Federal Cabinet decided that family life and the further development of our democracy must be given priority

when we decide on the expansion of the electronic communication network. We must have the capacity and readiness to start over, to rethink our premises.

The sensitivity to new problems and the ability to rethink old ones represent the capital of the social-liberal coalition for handling future tasks. Public opinion has sometimes speculated that the political unity between the SPD and FDP may be eroded. Such views are based on a wrong appraisal of this coalition which does not depend on a stock of common targets, which may be used up at some time.

The ability for common political action by the coalition rests on three pillars: First a basic programmatic kinship which affects many political spheres and the historic dimension which I briefly explained at the beginning; second the political will and the ability to compromise, in other words always to renew our communion for daily political tasks if that is called for by the problems and trends confronting us; and third the fact that Social Democrats and Free Democrats respect each other as independent political forces.

The willingness to discuss differences and the ability to compromise have nothing in common with political disruption or inaction--a reproach commonly leveled at the government by the opposition. Anyone denying conflicts and rejecting compromise is not fit for democracy and domestic peace. I quite appreciate that this does not accord with conservative ideas of harmony, which as we well know always require a so-called "strong man" who will take charge of everything and with whom conservatives would certainly be victorious if the adoring procession behind him were dense enough. We have learned differently--it is not standardization which is useful but the consensus achieved by discussion and later decisionmaking.

In the 1980's we Germans will need this ability more than ever. We will be confronted with tremendous difficulties. Arms race or arms limitation, North-South conflict or partnership, economic growth and full employment at a time of scarce energy and environmental controls, the integration of youth, equal rights for women: These are only some of the catchwords. Not one of them will be easy of achievement, and we will have to relinquish many comfortable habits.

The most important issue, the one which will require us to be frank and courageous, is the defense of European peace by the further pursuit and expansion of detente. Herbert Wehner said in this context: "For us and for our policies, for the life of our people, we cannot contemplate anything else than to undertake the most exceptional efforts for preserving and safeguarding peace. Once more that means in common with our Allies to exploit every opportunity arising for detente agreements. Not thoughtlessly, not precipitately, but with courage and resolution and persistence."

That is very true. Such a policy calls primarily for efforts in the sphere of the balance of defense forces and arms control. Much must be done further to deepen confidence between East and West in Europe. We need to get to know



one another, talk to one another; we need more political, economic and cultural cooperation and the ability mutually to respect our interests. A return to confrontation and the cold war could be fatal. Those who reject a compromise with our neighbors are not fit for peace.

The historic dimensions of Europe encompass pluralism and communion. This capital must be used for Europe. Social Democrats and Free Democrats have provided the right conditions. They are able to build on them: The alliance of Social Democrats and Liberals has a future in Germany.

#### Helmut Kohl: Ten Years Are Enough

Ten years ago, in September/October 1969, the first SPD/FDP coalition took office with much fanfare. Willy Brandt's government declaration of 28 October 1969 sounded like the promise of a better future, and many were all too ready to believe him. Others considered the initial rhetoric at least understandable after 20 years of opposition, although even then they missed any sense for moderation in Brandt's message.

After 10 years a balance sheet may not confine itself to a juxtaposition of claim and reality, to trace disappointed hopes and broken promises, so as to soberly demonstrate the failure of this policy. All that is indispensable and will certainly be done in the course of the election campaign. But it is not enough, because it will not provide us with an answer to the cardinal question of what we are to take as the commandment of the times: Whether we, the CDU/CSU will do better though keeping in the same direction--or whether we need to change direction altogether.

To my mind the reasons for the failure of the policies initiated in 1969 are not to be found in the poor execution of policies which were in fact correct, nor even to the fact that they were vitiated by external events such as the oil crisis and terrorism--actually the causes are to be sought in the wrong premise, in the internal logic of these very policies.

Let us remember:

-- In the matter of domestic policies the SPD and FDP were not primarily interested in buttressing and expanding existing achievements. They wished, quickly and unconditionally, to carry on a "policy of internal reforms." In fact often all the government did was by this label to create new rights, claims and power bases. The realization of an emancipatory rhetoric interpreted individualistically, the liberation from dependences and "domination," the governmental-official ratification of social claims: These largely constituted the "domestic reforms" in the areas of educational, family, social and penal policies.

-- In the matter of economics the SPD and FDP were less concerned with ensuring economic growth and stability; they wished to "democratize" the economy, test its bearing strength and overcome the "injustices of capitalism." The

consequence: Never has the social network been so brittle as after 10 years of governments headed by Social Democrats. Initially the SPD/FDP failed to appreciate the indissoluble connection between economic, financial and social policies, and to this day it lacks the strength to draw the proper conclusions from this appreciation.

-- In the matter of education SPD and FDP were not content to offer more opportunities to more people and reduce barriers as much as possible; instead everyone immediately was to have the same opportunities. Fifty percent of all those born in any one year were to graduate from secondary schools--without thought of the consequences for secondary and college students, the labor market and society. Accordingly the SPD/FDP coalition, using much rhetoric and without much understanding, promptly programmed the most tremendous educational disaster of the postwar period. Led astray by pseudo intellectuals, social democratic (!) politicians of all people decreed for our youth the dubious pleasure of an intellectualist life while devaluing practical occupations and training.

-- The coalition's foreign policy was not governed by continuity either. From the beginning their Eastern policy was under a self-imposed time pressure and the necessity to succeed at any price; consequently it was handled amateurishly. Only the outsize claim left no room for doubt: This government wished "to make peace more secure." From that time on there was no longer a foreign policy, only a "peace policy."

### Three Mistakes

The consequences of this policy landed us with a mortgage on the 1980's:

1. The past decade was characterized by an unprecedented politicization of public and cultural life. The government quite deliberately raised great expectations. Gradually perspectives shifted: In the first 20 years, 1949-1969, our citizens expected much from themselves and their performance, while the CDU/CSU led governments aided their efforts--in more than one respect. Willy Brandt and the SPD/FDP government basically turned these attitudes upside down: From that time on the government more or less gave its official sanction to suits for rights, to the notification of claims, the expectation of services to be rendered by the government. People could, were allowed and in fact encouraged to expect an improvement in their personal situation by means of government services, of policies pretending to give to the many by taking from the few. This attitude of expecting things from the government, a basically hybrid overestimate of the potential of politics, is the root cause of many of our present complaints.

2. The type of politics initiated 10 years ago was no longer content to provide the framework for individual, economic and social action. It wished itself directly to change society. To achieve this goal politics of late have concentrated especially on the social aspects of man, on family, youth and educational policy. In these fields the SPD/FDP governments were particularly

ambitious, here they interfered most "actively" and "reformed"--here also they suffered their most profound failures. Openly or subtly this policy tried to intervene manipulatively where the attitudes, expectations and values of man are developed and shaped. By this means another, a new man was to be created, of course not in the vulgar-Marxist or naive-Rousseauist meaning but certainly in the firm conviction that current conditions, still described as "capitalist," prevent the rise--yearned for by the SPD--of social man in a social society. This philosophy was reflected most evidently in the outline directives and the deformation of history as a sequence--to be overcome by "reforms"--of abuses and injustices. Lack of historical knowledge and anti-history progressivism turned out features of more than SPD education policies alone.

3. In the past 10 years politics were subject to the "constructivist error," according to which everything political can be done as long as the right people strive for the right goals. This replaced by hubris that unpretentious modesty which tends to interpret politics as a subsidiary aspect and ultimately achieves more than initially envisaged.

#### Incapable of Politics

When we now, 10 years later, recall the signs of those times, it is not even necessary to describe the evident chasm between them and the fears and breakdowns of the present time: They are all too evident. Ten years SPD/FDP--that is the story of failed expectations.

The current mood is neither imaginable nor understandable without the rhetoric of 1969. Hope was followed by disillusionment, the new start by resignation, confidence by despair, the euphoria of reform by the loss of future prospects. In such a mental-political climate no people can tackle the challenges of the future.

The SPD/FDP coalition began in the sign of the promise of "salvation" by politics, the hope of liberation from many burdensome dependences and efforts. Future was a Utopia which now, 10 years later, reveals its sorry aspects: For many there is no room for hope anymore, none. And acting Federal Chancellor Helmut Schmidt does not even sense this as a lack. He considers it his distinction to administer political business, to defend the status quo. His "consciously slimmed-down concept of politics," diagnosed by Peter Glotz, Berlin SPD senator, is assumed by Helmut Schmidt to amount to superiority in the art of government. The government and the coalition parties concentrate their efforts on hanging on to office by playing down the problems of the present and concealing those of the future.

In 10 years the SPD/FDP coalition has used up two chancellors whose political styles differ profoundly. Only at second glance do we see what they have in common: Then as now, in Brandt as in Schmidt, we see demonstrated the same incapacity for handling politics, reflected once in overestimate (Brandt) and another time in the underestimate of its potential (Schmidt). "Continuity

and concentration"--this formula into which Helmut Schmidt forced his 1974 government declaration, does more to hide this break than make it evident.

Neither the government nor the SED are able any longer to find the answers, whether for their members or for the citizens, as to where the way should lead. "People are no longer quite certain why they work for the Social Democrats" (Erhard Eppler). It is hardly possible more clearly to express the fact that a government has come to the end of its resources. And this is an important result of these 10 years: The profound internal uncertainty regarding that which one can really expect from politics, culminating in a doubt about politics in general, although in fact politics are steadily gaining in importance. After all, if we want to live in security tomorrow, we will have to take the necessary decisions today. The SPD/FDP are not capable of doing that.

### The Political Turning Point

A party getting ready to carry out political change in 1980 must take its cue from this situation. The CDU's opportunity will lie in making the future the issue.

We need a new policy. Calls for tax relief, family subsidies, less government--all these are certainly needed and right, but not enough in themselves. What we need most of all is a new political style, a new political beginning which would avoid Schmidt's pragmatic attrition as much as Brandt's messianism.

Once again politics must appreciate and aid man and his everyday concerns. The citizen does have a right not constantly to be challenged politically but to be left alone to pursue, undisturbed, his hobbies and his work, to enjoy the fruits of his labors.

3. We need a political renewal of the intellectual bases of our liberal democracy, and that also means aggressive democracy. At the end of the 1970's we enjoy less agreement on fundamentals than we did in the early years of our republic. The crisis of loyalty which we encounter in important social groups is most evident in the quarrel about enemies of the constitution in the public service. The consensus on the principle of aggressive democracy--which united the fathers of the constitution--lasted for a long time. "Obviously not missing just here or there but in a general state of dissolution now is the understanding of the fact that a liberal community also and especially must have the right to ask greater loyalty from those it entrusts with public duties than from other citizens" (Peter Graf Kielmansegg). The reasons are many and various. To be mentioned especially are the renaissance of Marxism at German universities and, due to East political opportunism, an excess of consideration for the DKP and its members, which spells the abandonment of article 21 paragraph 2.

4. We need a policy which offers young people an explanation and a job, and thereby once more a future and expectations. "Afflicted by the longest



economic crisis of the postwar era is youth, nearly 25 percent of the population, afflicted with disappointed hopes and dismal prospects. New educational systems have been followed by stress at school and quota psychoses, educational reforms by juvenile and graduate unemployment, the promised music of the future by the loss of direction and confidence"--this we read in the foreword to a 1979 collection entitled "Die Ueberfluessige Generation. Jugend Zwischen Apathie und Aggression" [The Superfluous Generation. Youth Between Apathy and Aggression]. And further on: "The respective figures are frightening, to some extent they represent European records. More and more juveniles at an increasingly young age join the ranks of the criminal class, their crimes are not only more brutal they are also more senseless. Tens of thousands of youths are addicted to drugs or alcohol. The Federal Republic of Germany has the highest incidence of unemployed graduates in Europe. The extent of the psychological disaster at the universities can only be estimated. Every 10th student is in psychiatric care, every 3rd would need it." More and more young people drop out of society, become apathetic or aggressive. If we leave this generation to molder and shrug it off, we not only sin against the young people themselves but also against the future of our people. I consider this an important task of the CDU/CSU.

Concerning the SPD and broad sections of the FDP, the third decade of postwar German policy points back to the first decade in a remarkably affecting manner: For the German socialists the concepts they introduced immediately after World War II and upheld in the Adenauer era and 20 years of CDU government are still not obsolete. The foreign and defense political consensus threatens to be wrecked.

At first glance this is often overlooked. Elements of continuity and discontinuity are entangled. Even after 1968 government and ministries pursued foreign and defense policies in direct and literal continuation of Adenauer's political teaching. Official government statements are still largely couched in the language of the consensus era. But beneath this linguistic surface profound shifts are taking place. The foreign and defense policy of the social-liberal coalition features an ambivalence which is as odd as it is dangerous.

In the late 1950's and the 1960's detente was a real necessity; it was approved by the CDU also. However, Adenauer and his two successors Erhard and Kiesinger as well as the current CDU considered the necessity of reducing the hardening of the confrontation with the East European neighbor on the basis of irrevocable allegiance to the free West and a strong alliance; for wide segments of the SPD left wing this same policy has served as a vehicle for a shift in the total foreign and defense political catalog of priorities since the early 1970's. Important sections in the coalition parties wish, some consciously, some unconsciously, to restore the special balancing status of Germany between East and West.

Among these conceptual reflections is the increasingly evident affinity of German and European socialism with communism in its various strains, the lowering of the "fear of communists," the castigation as "sterile anticommunism"

of any warning of the destructive forces of communism, increasing SPD contacts with communist and so-called Eurocommunist parties and the decline in reservations to combined operations by socialists and communists at German universities, in German labor unions, in other European countries.

#### Left Aberrations

It is the return to a model of German politics which observers in the West and especially among our Western Allies thought discarded after the Adenauer era. For this model the left forces in the SPD--and in the FDP--have pre-empted the term of peace policy: Peace--this word is of course used without the essential complement of freedom, necessary from the ethical aspect. Anyone elevating the commandment of peace to an absolute while downplaying the will to freedom robs peace of its inner content and divests it of its moral value.

The way many coalition party exponents interpret peace policy also includes the necessity for playing down the military threat from the East and the tension enhancing incursions by the Soviet Union just as much as the continuing danger of communism in Western Europe. Important representatives of the coalition parties, including the leaders of the Bundestag majority, tend systematically to shrug off these dangers. Not only that: They ridicule or brand as evil anyone who insists on appreciating the danger.

Let nobody object that I am arbitrarily imputing to major government parties modes of thought which are not matched in real life. It is reality: The general attack by some SPD leaders on the defense and disarmament policies championed in early 1979 by the CDU, the Federal Minister for Foreign Affairs and, largely, the Federal Chancellor also; another reality is the Cologne European program of the SPD of December 1978; reality also is the one-sided human rights policy and the combination of aggressive socialism in the West and lamb-like submission in the East such as characterize the Socialist International whose president--the SPD party chairman--must accept full responsibility for its decisions; another reality still is represented by the systematic alliances between young SPD members--the Young Socialists--with communism at German universities and everything emerging from that in the form of resolutions and demands.

Bedevelopment of Soviet policy helps nobody, nor should anybody deny the Soviet Government's wish for peace. Yet nobody may deny either that the Soviet Union is currently threatening the free half of our Continent with a weapons arsenal of quite unimaginable dimensions and thereby creates an unprecedented situation in Western Europe. Nor should anybody deceive himself as to the affirmed goal of Soviet policy: Increasingly to achieve the internal alienation and politico-strategic division of Europe from America. The fulfillment of these goals can be stopped only if we in the Federal Republic return to the foreign and defense political consensus--if the political parties of our country reassert the great Adenauer options which served as the rallying point for the Federal Republic of Germany after World War II.

## FRG OFFICIAL VIEWS NATO NAVAL STANDARDIZATION

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[Text]

## I.

One of these days, on 27 September, the lead ship of a series of 6 class 122 frigates will be christened at the BREMER VULKAN shipyard. The class 122 frigate is the German variant of what is referred to as «NATO frigate», and is identical with the Netherlands standard frigate in terms of the hull and the basic configuration of weapon systems and aerial array. A great many subsystems and components of ship service systems, as well as weapon and fire control systems of the German and Netherlands frigate types have been standardized. In many instances, the close cooperation of the two countries in the definition phase of their national frigate programmes resulted in the choice of identical components and ultimately in a common purchase which permitted substantial reductions of cost in the construction programme. Gratifying as it is, this success of a standardization effort in the naval forces of NATO is put into a more sobering perspective if one recalls that back in 1973 work on the NATO FRIGATE CONCEPT started in the NATO NAVAL ARMAMENTS GROUP with the participation of a total of 11 nations. Ultimately, the Netherlands and the Federal Republic of Germany are the only countries left to participate in the NATO FRIGATE project, and with different national variants, at that.

Must we conclude from this example that any attempt at standardization in NATO naval forces is bound to fail from the very beginning? Perhaps, for in the NATO naval forces there has been no spectacular success in standardization which might be compared to the deployment in the armies of several NATO countries of identical combat vehicles - such as the LEOPARD main battle tank or the M-113 mechanized infantry combat vehicle - or in several air forces of one and the same type of combat aircraft (F-16). With the exception of the trilateral minehunter project, there is nothing to compare in the NATO naval forces to the major bilateral or multilateral cooperative projects being carried out successfully in the NATO land and air forces, as for instance the weapon systems



JAGUAR, ALPHA JET, MRCA, ROLAND, 155 mm FIELD HOWITZER and others.

This state of affairs has been criticized quite frequently. Thus SACLANT deplored already some years ago that the cooperation and operational effectiveness of the NATO naval forces were considerably impeded by the great number of ship-to-ship and ship-to-air missile systems and the wide variety of types of fire control radars and guns. The multilateral Standing Naval Force Atlantic (STANAVFORLANT) must frequently be supported by more replenishment oilers than necessary since the units assigned to the force require three different types of fuel. Thereby the tactical flexibility of the force is unnecessarily restricted.

## II.

In principle, the allies are agreed on the merits of the jointly pursued objective of standardization. They expect it to enhance the conventional combat power of the allied forces and to result in a more effective utilization of the limited funds and ultimately in a political strengthening of the Alliance. And yet, standardization has turned out to be a particularly tough proposition. In this field it is not only the conceptions of the military experts which play a part but also solid national economic interests. The peculiarities of each participant have ultimately to be taken into account since in many cases a certain national pride has to be made allowance for, - a feeling that might be hurt by standardization. So, the solution of the problem resembles an attempt to square the circle and there have been many failures so far - the above-mentioned examples of success cannot gloss over that fact. New impulses and initiatives are therefore needed continually, so that we do not lose sight of the objective and abandon it ultimately. And it is also due to the many failures that criticism of standardization does not cease on either side of the Atlantic. Standardization is often looked upon as an end in itself. People doubt that standardization of weapon systems could result in direct economies and that elimination of duplication would enhance cost-effectiveness in defence expenditure.

These feelings have been caused inter alia by the fact that almost everybody attaches a different meaning to the terms of standardization and interoperability. These terms are not always clearly defined, so that confusing and often contradictory definitions result in abortive attempts to take action in response to the political requirements, in the choice of wrong

courses of action and in efforts being undertaken in other than really worthwhile fields.

Standardization does not mean commonality, although it is often used in that sense. In NATO terminology standardization is a degree of similarity ranging from identity over interoperability to compatibility. It comprises therefore all

measures which, by application of standard methods and principles and by use of systems capable of operating together, provide the basis for the cooperation of different forces.

According to the official definition, interoperability is, briefly, the ability of systems, units, or forces, to provide services to or accept services from others and to use the services so exchanged to enable them to operate more effectively. Mostly, interoperability is understood as the capability of communications and data processing systems to cooperate with each other, or as a situation in which weapon systems can use common expendable supplies and materials such as repair parts, ammunition or POL. Thus, interoperability is a specific case of standardization. To me, however, it is not merely an attempt to remedy subsequently the negative effects of a neglect of standardization or of abortive standardization efforts. In some cases interoperability of weapon systems is vital to ensure military effectiveness, in others interoperability would be desirable, but is not combat-essential.

### III

In spite of identical objectives and largely identical impeding factors which I would not enlarge upon in this context, standardization of major equipment has been achieved to a lesser degree in the NATO navies than in the armies and air forces. To be sure, the operational environment of each of our navies is highly dissimilar, so that operational requirements call for very specific solutions. In consequence there are small production series, extremely high development and production costs, and restricted opportunities of cooperation. As far as the German Navy is concerned, international approaches in the past, such as the procurement of 3 guided missile destroyers in the United States and 20 missile FPBs in France, were no more than purchases and not cooperative projects in the sense of joint development. Moreover, ships are extremely complex weapon systems. Even more frequently than the weapon systems of the other services, they are deemed to exemplify the efficiency of one's own industry, and to be a taken of national prestige.

As to the standardization of the NATO naval forces, there are two aspects which are of relevance in that respect. First, standardization in the field of tactics through unification of doctrine and procedures, and second, standardization of equipment. Especially for the naval forces of an alliance, unified operational procedures are of vital importance in warfare. Standardization of equipment will moreover improve military effectiveness and result in cost savings. The question to be answered by the navies is however how far such standardization must go. Interoperability of equipment may often be desirable, in particular in small multinational forces. Where such interoperability is concerned, commonality of equipment undoubtedly reduces the needs for supplies and transport capacities. But is this also true for large forces? There are studies which hold that in most cases the military advantages of common equip-

ment can be proved on a small scale only and that frequently the real necessity of interoperability is confused with an assumed necessity of standardization.

#### IV.

In case of an armed conflict the NATO naval forces will often operate as forces combined of units of various nationalities; moreover, it must be possible to redeploy individual units or forces readily from one maritime area to another and to reassign them to another operational command. This will only be feasible, if the operational tactics and procedures of the allies are mutually known or, even better, standardized. This alone will ensure continuous smooth and effective cooperation of all naval systems at sea. In this field of tactical procedures, the so-called Allied Publications edited in a great many series have allowed the NATO naval forces to reach a standard that may well be unique, compared with the other services. And there is the added advantage of the fact that English is the uniformly used command language. The use of identical tactical procedures will therefore permit multinational forces to operate effectively even if their equipment is different. Thus there are no national communications procedures in the navies. All procedures in the communications field are standard procedures for all NATO naval forces, so that communication is not a problem. In the fields of command and control, weapon control and information systems - a field of high tactical-operational and technological importance - interoperable procedures are applied. Thus, it is a matter of course for the German Navy to have a computerized automated real-time data exchange with the US Navy, the French or the Italian Navies.

The standardization of tactical procedures of the naval forces is being continually advanced in NATO. Exercises are evaluated, and the collection of Allied Publications is continually updated. This updating of publications results in proposals for future equipment needs as well as recommendations for equipment standardization and for measures aimed at improving interoperability of existing materiel. The frequent demand for the unification of procedures as a condition requisite to a major success in standardization has already been met for the NATO naval forces in the functional area of tactics.

#### V.

The standardization of naval weapon systems is a particularly difficult problem area. There are but feeble prospects of standardization of complete major weapon systems, frequently designated as «standardization from the top». In addition to the long-term development of compatible requirements plans and harmonization of planning methods, operational doctrines and concepts of operation, this type of standardization requires that national rights of sovereignty be abandoned. As to the first requirement, positive and

promising approaches have been provided both in NATO and in the Independent European Programme Group (IEPG), as demonstrated by the successful activities of the working parties of the Naval Board of NATO's Military Agency for Standardization in the field of naval tactics. In view of national autonomy in matters concerning defence budgets, and against the background of national economics interests, major success in naval standardization is, however, only conceivable in the long run for the successor weapon systems. At the present time, when the shipbuilding industry is suffering from a lack of contracts, none of the allies is able to award contracts for warships exclusively under the aspect of optimum cost effectiveness and hence perhaps to foreign shipyards. The concern of governments about the preservation of jobs, the risk of monopolizing capacities through too one-sided specialization of national industry, and the restriction of free decision-making through dependence on foreign industries are heavy obstacles to standardization from the top.

Moreover, experience has shown that, although it might just be possible for the NATO bodies to come to an agreement on a tactical need and on preliminary studies on a weapon system, the divergences of opinion on industrial rights, work-

shares and cost-shares set in as activities proceed. This problem is by no means confined to naval projects. Therefore, it must be anticipated that even in the NATO projects currently under development, such as the mine countermeasures system ERMIS (explosion-resistant multi-influence sweep system), the second generation anti-surface ship missile (ASSM), and the small surface-to-air ship self-defence system NATO 6 S, the number of participants will decrease as the implementation of the projects proceeds. Since large-scale standardization is hardly possible for the time being, cooperative projects of the navies, as other, will only be based on bilateral or multilateral arrangements of a number of allies for some time to come.

What appears more promising than standardization from the top is the standardization of subsystems and components of weapon, electronic and communication systems. Apart from enhanced military effectiveness, substantial cost saving can be achieved by such standardization; for in warships the cost of command and control facilities and weapon systems represents even now up to 60 per cent of the price per ship. Cost saving can be achieved in development and procurement as well as in utilization. It is particularly important to avoid duplication in the development of equipment to be used for the same purpose. This requires an agreement to the effect that one country will be the pilot in development and the others will purchase the item concerned or acquire license rights for a production of their own. That this practice can be successful is proved by two projects, SEA SPARROW and the 76 mm OTO Melara gun, both of which are now being adopted by 7 NATO navies.

It has always been the aim of the German Navy to procure, as economically as possible, equipment tailored to the missions to be accomplished. This is illustrated by the installation of

the MM 38 EXOCET surface-to-surface anti-ship missile in our fast patrol boats and the *Hamburg* class destroyers, the purchase of British sonars and French mine countermeasures equipment for the class 331 minihunters, and many other examples. These decisions in favour of systems that have already been developed, decisions that were also made in view of the advantages of standardization, have not always met with the applause of the national industries.

An alternative to adopting equipment whose development has been completed is for one or more nations to agree on the cooperative development of a specific item of equipment. It is true that cost of such cooperative developments is higher than that of a development undertaken by one country alone, but it is less for the individual country than the cost of separate developments. This form of multinational cooperation which has sprung from joint development activities and common funding has proved its merits. This category comprises the development of the very short range anti-ship missile defence (ASMD) system in which we participate together with the United States and Denmark, and German-Danish cooperation in the field of naval mines.

Joint procurement of identical equipment results in substantial cost saving for the various participants through the economy of scale. This exactly was successfully practiced by the German and Netherlands navies in the frigate programme. Standardized equipment results in advantages in the utilization phase through joint repair parts stocks, or through co-utilization of training and test facilities as now envisaged by the various NATO navies, e. g. for the following systems: HARPOON anti-ship missile, SEA SPARROW, torpedo MK 46 or the 76 mm OTO Melara gun.

## VI.

All this shows clearly that in spite of all criticism notable standardization efforts and successful projects do exist in the NATO naval forces as well. Admittedly they are not so striking as those achieved by the other services, and their implementation is frequently more difficult. But even in the future there will be no complete standardization. Absolute standardization may lead to market domination by monopolies and thus to higher prices. Thus, standardization must not eliminate competition. Moreover, the advantages of international standardization especially in the naval forces must be weighed against the disadvantages of potential de-standardization at national level. Propulsion plant, auxiliary machinery and navigation systems are frequently used nationally as common items of equipment in various types of warships; since logistic support is a national responsibility, we must draw upon our national industries for maintenance and repair support.

In the standardization efforts of the NATO naval forces the main emphasis should be laid on the interoperability of equipment and the cooperative development of subsystems and

components. This includes in particular the adaptation of existing equipment to make it interoperable, and the consideration of interoperability in the development of future systems. We must aim at ensuring the capability to readily provide cross-servicing with POL, ammunition and the most essential repair parts between the NATO allies at sea as well as in port. Data exchange and communications must not be impeded by dissimilar equipment.

Both cooperative and coordinated development programmes require early consultation on performance requirements and time schedules of the various participants. There are numerous international bodies whose activities are aimed at such coordination. In order to avoid unnecessary parallel and duplicate cases of work the German Navy concentrates its efforts on the NATO Naval Armaments Group (NNAG). That group is best qualified as a forum where each of the navies may present its own national ideas to compare and coordinate them with those of others so as to look for partners with whom to cooperate in the development of new equipment or else to join the development efforts already undertaken by others. This exchange of information will not always lead right away to standardized products, but even so, similar ideas may result in standardization agreements (STANAGs) that will make cooperation of the NATO naval forces more effective. Furthermore it should be investigated to what extent the weapon family concept is apt to lead to standardization and cost savings. Approaches to such considerations exist in the fields of naval mines, torpedoes and missiles.

There are many candidate areas for extensive standardization and interoperability in the NATO naval forces with a view to enhancing their operational effectiveness and thus contributing to the strengthening of the Alliance. Success will not always be achieved easily. To achieve that objective much patience and good will is required, as is the readiness to compromise and to give up one's absolute national freedom of decision-making.

CSO: 3120



## ROCARD EXPRESSES VIEW ON 1981 MITTERRAND CANDIDACY

LD291119 Paris LE MONDE in French 16 Oct 79 p 11 LD

[Unattributed Report on Europe 1 Press Club 14 October Interview with Socialist Party leader Michel Rocard: "Mr Rocard Makes a Date for the 'Post-Mitterrand' Era"]

[Text] Questioned on whether he will be a candidate for the presidential election, in view of the promise he made to the Metz congress not to stand against Mr Francois Mitterrand, Mr Michel Rocard replied, in particular: "There is no more important event in the democratic life of the French Republic, of France, than the presidential election.... The left can and must win; in my view it is its duty. To do so, two conditions must be fulfilled: The left's candidate must be supported by a united party and must give rise to a powerful dynamic influencing of the whole of public opinion, the broad mass of that opinion.

"In order to fulfill the first of these conditions, I felt it necessary to say what I said, that is, that I do not intend to stand if Francois Mitterrand stands. That is the only hypothesis I have dealt with, and I do not intend to deal with any others. All in good time. Otherwise the Socialist Party [PS] would run a serious risk of becoming divided."

After recalling that "any candidate dividing his own party would be a bad candidate," Mr Rocard asserted that Mr Mitterrand "is a good candidate, the good PS candidate," before adding: "If he stands, he will have my support all the more firmly, or rather, I will be all the more effective if he presses for the 'socialist plan' to become more and more in control of the difficulties of the situation facing us."

The deputy for Yvelines then noted that what the socialists have in common "is fundamental," namely, "the will to defeat the right and to do so in the conditions of creating democratic socialism." He specified: "For 7 or 8 years now, through Solzhenitsyn's work on the Gulag and the events in the Far East, we have been seeing the catastrophic, heartrending, shameful, scandalous results of certain versions of socialism.... But how did it all begin? It is to the credit of the socialists, at the present time, that they have reexamined their thoughts, their orientations, their principles, so as to examine in the light of freedom every socialist principle which would run the risk, in its conditions of application, of being

incompatible with freedom. Naturally we experience hesitations." Questioned on the "socialist plan," Mr Rocard expressed the view that the text is now "much easier to digest."

Touching on the question of relations with the PCF [French Communist Party] the mayor of Conflans-Sainte-Honorine told Jean Le Lagadec of the newspaper L'HUMANITE: "I think the best thing that could happen to the union of the left is not to become entrenched in hypocrisy. There is no doubt that our two parties have visions of the future for our country and for the world which differ considerably, and on important points.... In these conditions, there are two ways of regarding the union of the left. One is to hope to tirelessly build I know not what compromise between these long-term visions.... The PCF decisions put an end to that possible version of the union of the left.

"There is a second possible version, and that is that, recognizing the right to differences within the union of the left, recognizing our reciprocal autonomy, and insuring sufficiently that we respect each other and avoid all useless polemics, we should at least be able to create that common will through action...each time there is something to be done or some cause to take up jointly, so as to make it clear--supported by pressure from the working people as well as from the voters--that the logic of defensive and offensive actions carried out together in the world of work can lead, in fact, to the convergence of leftwing forces which we seek.

"But I believe it is illusory and useless to pretend, to let people believe that we would have the same plan for our country's future. You said so yourselves before us. We have taken note."

Mr Rocard added: "There can only be a victory for change in this country on condition that all our voters, yours and ours, vote together in the second round for one of our plans, yours or ours. We have often enough been used to standing down for each other."

After referring to the need to "take account of" the questions posed by ecologists, Mr Michel Rocard noted: "I think it is reasonably likely, it is likely, that the presidential election in France in 1981 will take place in economic and financial conditions which are substantially new in relation to what we know today."

Questioned again on the presidential elections and on whether he "personally" wishes Mr Mitterrand to be the PS candidate, Mr Rocard replied: "I have no personal opinion on that question, no comment...."

CSO: 3100

## PCF CLARIFIES CONDITIONS FOR RAPPROCHEMENT WITH SOCIALISTS

Paris L'HUMANITE DIMANCHE in French 5-11 Sep 79 pp 30-31

[Interview by Pierre Calmette with PCF [French Communist Party] Central Committee Secretary and Politburo member Charles Fiterman]

[Text] We have received some questions following the PCF Politburo reply to the Socialist Party's letter. Pierre Calmette has chosen five of those questions and has directed them to Charles Fiterman, Central Committee secretary and a member of the PCF Politburo.

[Question] The Communist Party has agreed to the meeting suggested by the Socialist Party. Does this mean that a union of the left is on again?...

[Answer] That is a formula I will not use. Why? Because in order to avoid disappointments, it is preferable to face reality.

In 1977 the Socialist Party abandoned the commitments it had made with us regarding our common program. It [the Socialist Party] broke off our alliance. Since March of 1978, it has, on several issues, chosen positions that are not only different from our own but are, in some respect, close to Giscardian policies. We need only consider one example: many will recall the fiery European-minded statements made by Francois Mitterrand during the campaign preceding the 10 June elections, and his warm support for the Social-Democratic movement, particularly for Chancellor Schmidt's policies.

Let me add that in August the Socialist Party criticized some moves made by our party or by such labor organizations as the CGT [General Confederation of Labor] on behalf of social demands or in defense of national interests. On that subject, socialist leaders alluded to "rear guard skirmishes." This shows that the Socialist Party's policy and positions are far from conducive to a solid and clearcut united front with regard to objectives consistent with labor's and national interests.

Such is today's reality.

[Question] Yet Francois Mitterrand asserts that the socialists are in favor of joint action at the grassroots. Why not take them at their word, end the controversy, and get along with them?

[Answer] I was just about to add a remark showing to what extent the formula "It's on again" is inappropriate.

That formula would lead you to believe that we are traveling the same path. Sometimes a person chooses a path and then finds out it leads to a blind alley, or to the edge of a cliff. Errors do happen. If, however, that person should take that path deliberately for the second time, knowing where it led, then he would be at fault.

That is one mistake we do not wish to make. In 1972 we signed a joint program with the Socialist Party. We agreed on a clear statement and valid objectives, and we led a fair fight for their success. The Socialist Party, on the other hand, only used the joint program to build itself up. Its only purpose was to erode our strength and, at the decisive moment, when there was a need to create conditions favorable to victory and change, it turned its back on its promises. Thus experience shows that, by believing in the magical power of a summit talk, of nice declarations of intent by socialist leaders, or even of faultless statements, which they sign with both hands, we'd incur the risk of major disappointments. We must not take that route again. What we need this time is to be lucid and clear-sighted as we create the [right] conditions for a solid alliance that will carry through the objectives it has claimed.

[Question] Why meet with the socialist delegation under those circumstances? What good can it accomplish?

[Answer] The troubles encountered by the alliance and its failure are no cause for us to give up. We keep working and will keep on working for the unity of all forces of the people, for leftist unity. We reaffirmed this at the 23d Congress, for the obvious reason that such unity is indispensable in order to effect the democratic transformations needed to improve the workers' lot, which they themselves desire. This is the whole direction of the Communist Party's effort. Besides...conditions favorable to a meeting were created as a result of the changes that have been taking place for the past 18 months. We are witnessing a rise in discontent and in resistance against the disastrous policy of Barre and Giscard d'Estaing. The extent of this was just manifested in the railroad workers' strike. There is also an emerging awareness of the real nature of the Socialist Party's policy. This became particularly apparent during the European elections. Of course, our party contributed to it with its explanations.

Also and above all, there is a decisive political factor: first the regional elections, then the European elections, served to prove the failure of all those who had counted on a weakening of the Communist Party and would have liked to see its role reduced to a marginal one in French political life. Everyone should, willy nilly, take those facts into consideration. This explains how the Socialist Party, while not giving up its contradictions, ended up agreeing to work together at the grassroots. While assessing the problems of such a task and without any illusions on our part, we have been careful to leave no stone unturned to lend the widest range, the greatest power, and the highest effectiveness possible to the counterattack led against the brutal blow dealt by the authorities and management to living and working conditions.

With this purpose in mind we agreed to the meeting, where we'll hold a discussion and where, perhaps, we'll gain a clearer insight into the Socialist Party's intentions. At the same time it will enable us to find out whether there are possibilities of working in the same directions or even together on various issues. Let it be understood that when we are referring to grassroots action, we do not have in mind creating committees, cartels or collectives which will then issue releases whereby the Socialist Party will assume a fighting stance, with very little effort, while at the same time doing nothing against power politics, or perhaps even supporting it. What we need is for each party to make a material contribution to the development of the struggles. Action must be the test of words.

[Question] On an actual level, what may we expect from this meeting?

[Answer] Ah! Expectations! Expectations are the last thing we need--I mean passive expectations from this meeting, counting on it to bring miracle-solutions to our concerns and hopes. Of course I do wish to see it support the workers' action in various fields, but it would be futile to expect too much from it.

Once again I repeat: what we need least is a belief that the problems assailing our people will be solved solely by virtue of staff meetings, statements and proclamations. The unity of leftist parties will progress, will become a reality and will be maintained only if, at the same time and as a priority, some action develops at the grassroots, throughout the country--and also if the workers in their companies and the families in the cities, neighborhoods and villages, discuss solutions to their problems, define their needs and demands, and initiate action, under every possible and imaginable shape, to make them succeed, and this without delay, right now. Power and management are unleashing their attack. We must not wait. Our action is urgently needed.



If this multiform, diversified and powerful action develops, the proper conditions will be created, both to obtain results that will alleviate living problems and to build a new leftist alliance, this time a solid and durable one, an alliance that will result in political change.

[Question] In its reply to the Socialist Party, the Communist Party makes it clear that it is pursuing and will pursue its own course of action. Joint action or individual action? Doesn't that present a chance for confusion?

[Answer] The communists' own individual action is indispensable, but not because, as some will claim, we want to get all the credit, which is not our purpose at all. Only one thing matters to us: satisfying the workers' aspirations.

We find that the Socialist Party's attitude is not in keeping with the demands of a result-oriented fight. What should be done? Should we do no more than hold discussions? Or wait for the Socialist Party to return to a better policy? That would be giving power and management a free rein when the opposite should be done: acting, without further ado, wherever possible and with all those who are willing. By activating those efforts, the communists will contribute to the creation of new circumstances where other social and political forces will take part in the struggle.

Individual action and joint action do not contradict each other. I might even add that the Communist Party's individual action represents a decisive condition of a united action.

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CSO: 3100



## PS PANEL DEBATES PRESIDENTIAL CANDIDACY PLATFORM, FACTIONAL DISPUTES

LD310857 Paris LE MONDE in French 12 Oct 79 p 13 LD

[Report by Jean-Marie Colombani: "Mitterrand admonishes Chevenement"]

[Text] The drafting committee responsible for completing the "socialist plan," which was meeting in Paris Wednesday 10 October, interrupted its session to enable the National Executive Bureau to examine the situation created by various conflicting political statements by socialists relating in particular to the choice of a candidate for the presidential election.

On that occasion Francois Mitterrand strongly criticized Jean-Pierre Chevenement for attributing responsibility for the leftwing defeat to Michel Rocard. The Socialist Party (PS) first secretary obtained unanimous support for a statement appealing to all party members to "put an end to all personal criticism which might jeopardize party unity, especially when choosing the candidate."

The text of this statement points out that "the PS' strength lies in the unity of the whole party," and reaffirms that the PCF leadership "bears sole responsibility for the collapse of the leftwing union in 1977."

That denial did not convince Mr Chevenement at all. Indeed in the eyes of the leader of the Center for Socialist Studies, Research and Education [CERES] group, the PCF took the decision to break but a debate on the reasons for that decision "did not take place." However, the Belfort deputy promised to express his opinions less bluntly.

The discussion of the "socialist plan" then resumed. It showed that Mr Mitterrand is trying to obtain broad agreement on this document. He indicated that he will put forward his "own contribution." That could take the form of a preamble. Such a move would satisfy Mr Mauroy.

By calling into line "in a solemn and friendly way" the members of the party he leads and, in particular, those who belong to the CERES group, Francois Mitterrand was pursuing three aims.

First, to remove, as far as possible, all trace of Mr Chevenement's statement accusing Mr Rocard of responsibility in the leftwing union split. Surely the former was aiming, through the former national secretary, at the whole of the former party majority formed by Mr Mitterrand, Mr Mauroy and Mr Corard. Since the argument had been promptly used by the PCF, which regarded it as the socialists' "admission" of their own responsibility, it was vital to recall opinion to the version given by the PS in 1978 and contained in Lionel Jospin's report, which was, moreover, adopted unanimously.

The first secretary's second aim was to put an end to the growing number of statements calling on him to declare his candidacy for the presidential election--statements made to forestall any situation favoring Mr Rocard through new opinion polls.

Mr Mitterrand is in less of a hurry to declare his candidacy than his friends are, even though he seems as convinced as they are that he is the only viable candidate. For the first secretary, the adoption of the "socialist plan" should precede the naming of the candidate. In any case, he maintained, "When a candidate is appointed he will have the support of the whole party."

#### Regaining Control

The drafting of the "socialist plan" defined as the candidate's "support" is intended precisely to provide Mr Mitterrand with an opportunity to restore the image of "rallying force" which is appropriate for a candidate. Moreover he has to take account of the "grassroots" which are clearly tired of the tactical quarrels at the "top." Therefore he has asked the party officials to "strengthen their unity for the sake of the members' wishes." He pointed out that the socialists' objective is to "put forward a policy capable of mobilizing those French people affected by the policies followed by the president of the republic, the government and big capital and, in addition, to put forward a plan capable of rallying the French people."

To attain that backing in the shape of a rapprochement with Mr Mauroy's group alone, Mr Mitterrand needed to find an adequate margin of maneuver in relation to CERES. That was the third aim of the reprimand addressed to Mr Chevenement yesterday.

However, he was more severely reprimanded Wednesday morning during the National Secretariat meeting than in the afternoon in front of the Executive Bureau and in the presence of the minority groups' representatives.

In the morning Mr Mitterrand described Mr Chevenement's statements as a "serious political error" and said his remarks were "unacceptable." In the afternoon when Pierre Mauroy pointed out that the "gravity" of the remarks made it impossible to start debating the plan, the Executive Bureau

separated from the plan committee to discuss the affair. That meeting ended by the adoption of the resolution mentioned above--a text which does not explicitly refer to Mr Chevenement but which satisfies Mr Mauroy and Mr Rocard's friends.

[LD310859] The first secretary has highlighted a balance of forces in his favor within the party's majority. He had to curb the pressure being exerted by CERES to halt the rapprochement with Mr Mauroy. Not because Mr Chevenement is hostile on principle to unanimous approval of the text he has drawn up but because he considers that the ideological line which he upholds should prevail at the expense of Mr Rocard's line. Therefore, according to the Belfort deputy, reconciliation with Mr Mauroy or even with Mr Rocard is only possible provided it takes the form of adoption of the argument developed by CERES.

At the Executive Committee meeting on 29 and 30 September CERES had already obtained support in principle of the text's "fundamental lines" which had the effect of blocking the rapprochement process. Both Mr Mauroy's and Mr Rocard's supporters abstained.

Mr Mitterrand had to regain control in order to overcome the obstacle without jeopardizing his alliance with CERES which determines his power over the party.

He seems to have done so by announcing his decision to write a preamble to the plan himself on the subject of freedoms.

That procedure has the advantage of paving the way for a broad agreement. Mr Mauroy, who is hostile to the first part of the plan entitled "Understanding," which he thinks is too strongly stamped with CERES ideology, considers that this preamble will form the argument of the whole plan. The mayor of Lille also pointed out that the leadership has taken account of his criticism of Mr Chevenement's initial text.

It remains to be seen what Mr Rocard's fate will be. Mr Mitterrand's friends think it is vital to isolate the Yvelines deputy. Therefore they maintain that the Rocard group's amendments should be either reduced or abandoned or put forward as options. The mayor of Conflans-Sainte-Honorine does not want to be forced to put forward options which would look like counterplans. Mr Mauroy, for his part, could help Mr Rocard to avoid the trap by supporting both of his amendments.

Therefore the conclusion or failure to conclude an agreement on the "socialist plan" depends on the content of Mr Mitterrand's preamble.

CSO: 3100

## 'LE MONDE' EXAMINES DEBATE PROMPTING REORGANIZATION OF PCF PUBLICATIONS

LD301445 Paris LE MONDE in French 17 Oct 79 p 9 LD

[Article by Patrick Jarreau: "Communist Intellectuals Wonder About the Ambiguities of the Line Followed by the Party Leadership"]

[Excerpts] Late in the morning of 16 October PCF Politburo member Guy Hermier was to introduce to the press the members of the editorial board of the new weekly magazine which is to replace the main PCF weekly magazine FRANCE NOUVELLE and the monthly magazine LA NOUVELLE CRITIQUE which is mainly aimed at intellectuals. This new publication, which will be unusual inasmuch as it will be aimed at both communist cadres and intellectuals, is to appear prior to a Central Committee session devoted to intellectuals which is to take place at the end of January.

This reorganization of PCF periodicals is taking place at a time when criticisms by the leadership of the way in which L'HUMANITE presents its policy are becoming increasingly specific. Speaking at a meeting of communist deputies on 18 September, Georges Marchais implicated the people in charge of L'HUMANITE and it was generally understood that Politburo member and L'HUMANITE director Roland Leroy was the principal target of these criticisms.

The fact that other PCF leaders have asserted that the Central Committee has "unanimously" adopted the view that L'HUMANITE does not adequately reflect the decisions adopted by the 23d congress means at the very most that the paper's director, who is also a Central Committee member, has recognized the existence of these differences. However, it cannot be concluded from this that he is prepared to reduce them.

The political significance of Leroy's dismissal from the Central Committee Secretariat in May 1979 could not be assessed as long as the Seine-Maritime deputy maintained full and complete control over the party daily newspaper and L'HUMANITE-DIMANCHE. The purpose of the appointment of two deputy directors--Rene Andrieu and Francois Hilsun--(LE MONDE of 22 September) was probably to counterbalance Leroy's authority. However, this decision has so far failed to affect the paper's content and it is possible to notice, Antonine Spire writes in TEMOIGNAGE CHRETIEN, considerable differences

in the choice of subjects and their treatment in L'HUMANITE and FRANCE NOUVELLE. Does this mean that the present orientation of the communist weekly magazine is an indication of the orientation which the leadership intends to impart to its new publication?

### Several Disagreements

It appears that the communist leaders intend to establish within the new weekly magazine a strict demarcation line between the editorial board, which will exert control over a reserved political sphere, and contributors to the paper who will enjoy a certain degree of freedom with respect to ideological questions. This means that the problem raised by the intellectuals, who demand to be allowed to contribute fully to the party's political thought, would receive the same response as before. Now this response has not been adapted to the behavior of a number of communist intellectuals who do not hesitate to disregard any decisions adopted by the leadership which seem to them inconsistent with the changes proclaimed since the 22d congress.

Examples of this attitude have recently been forthcoming in connection with the assassination of Pierre Goldman and the exile of Czech writer Pavel Kohout. Whereas the PCF leadership decided not to participate in protest demonstrations against Goldman's assassination, some 100 intellectuals criticized this attitude and participated in the funeral of the former Union of Communist Students (UEC) militant. In any case, the fact that Pierre Goldman had been a UEC member was not mentioned in L'HUMANITE whereas FRANCE NOUVELLE rectified this omission in its (29 September-5 October) edition published after the former militant's funeral.

### Pavel Kohout's Exile

Similarly, the laconic commentary published in the communist daily newspaper after Pavel Kohout was deprived of his nationality (LE MONDE 10 October) did not seem satisfactory to the intellectuals who have been denouncing for several months the legal proceedings instituted in Czechoslovakia against people guilty only of holding certain opinions. Several of them, including Jean Elleinstein and also Marcel Bluwal and Jean Ferrat, who have so far not been in the habit of showing their disagreement in public, went to the Czechoslovak Embassy in order to present a petition, an initiative which the communist press has failed to report. Armand Spire had to resort to a great deal of dialectic subtlety to explain in L'HUMANITE of 16 October that the PCF is not ignoring democratic shortcomings in eastern countries, while Central Committee Secretariat member Maxime Gremetz merely noted with satisfaction in FRANCE NOUVELLE that "the development of socialist countries continues."

With respect to all these questions critical militants feel that there is an inconsistency between intentions stated at congresses, for instance, and their implementation. The difficulties encountered during preparations for the publication of a new weekly magazine reflect this uncertainty about the real orientation adopted by the leadership since it is impossible to foresee when it will decide to clear up the ambiguities which have existed ever since the 23d congress.



## NEW BOOK ANALYZES PCF'S ATTITUDE TOWARD 'SELF-MANAGEMENT'

Paris FRANCE NOUVELLE in French 8-14 Sep 77 pp 24-25

[Review by Pierre Blotin of the book "Pour une strategie autogestionnaire" by Felix Dasette and Jacques Scheibling, Editions sociales]

[Passages enclosed in slantlines published in boldface]

[Text] The reader cannot fail to rejoice at the publication, precisely on the occasion of the 1979 Festival of Humanity, of the book in which Felix Dasette and Jacques Scheibling converse with Gilbert Wassermann on the subject of "self-management." The reader must rejoice, not only because this festival is the first to be held since the 23rd Congress--which made self-management central to our policy--but above all because this book explains, in its fashion, why the festival will represent a great convergence of struggles.

"Pour une strategie autogestionnaire" [For a Self-Management Strategy] is in fact a topical book, in the full sense of the term. Its authors are not constructing theories on the basis of a future ideal world (their book is of special interest, moreover, because it demonstrates that the self-management approach is the exact opposite of such a practice); they discuss self-management in /concrete/ terms and /therefore/ in terms of the daily struggle, of unified action by the rank and file, and of the linkage between this action and the prospects for socialism in France.

The problems discussed by the authors are at the heart of the reflections, activities and questions of the communists in this month of September 1977 as they confront the specific problem of how effectively to implement the policy debated and adopted at the 23rd Congress.

This is a very important book, even though we are informed "by way of a preface" that it is not a tightly structured essay but "a lengthy conversation" presented to the reader "almost exactly the way it took place."

What we have here is, from all indications, not a literary exposition of a preconceived idea written for the purpose of "enlivening" that idea. The



very format of the book accurately reflects one profound reality of life today in the French Communist Party: the fact that the communists must strive together--on the basis of the substantial gains recorded at the 22nd and 23rd Congresses and in the desire for effective revolutionary action--to clarify precisely, for others as well as for themselves, the meaning and scope of their strategic choices and to continue their reflections, even in the midst of their action, in order to subject new ideas and new data to a thorough examination.

One of the advantages of the "conversation" which these three comrades carry on our presence is not only that "it will be believable" (indeed, this is the way we debate among ourselves, not "seeking the formula" but expressing our ideas in terms of their development, in a desire to refine and shape them as the conversation moves from one participant to the other), but especially because as the conversation continues one has an increasing desire to participate, to "speak one's piece," to pass through the filter of one's own experience the opinions and hypotheses advanced by the authors and also to discuss some of them.

In short, here is a book that stimulates the reader to participate in discussion which is both substantial and effective because it is linked to action. One can safely predict that just such a discussion will inevitably follow the coming meeting of the Central Committee, quite simply because this meeting must evaluate the true situation with respect to the challenge to our strategy under the special conditions that prevail for this coming 1979 meeting. In this respect as well, the book is intensely topical.

In "Pour une strategie autogestionnaire" there is such a swarm of questions, ideas and reflections that it would be useless to attempt to give an account of them here. One must go to the source, all the more so because each individual reader will find there not what he himself brings (as in the case of the famous Spanish inn) but "food for thought" that relates to what he is seeking, to his own concerns.

I believe it is necessary, however, to emphasize that the book offers, among other things, reflections of great interest on a number of key questions relative to the class nature of the battle over--and in behalf of--self-management.

#### Evolution of the PCF

The first series of reflections concerns the very emergence of the concept of (or more precisely, the aspiration to) self-management in French political and social life, and the attitude of the PCF [French Communist Party] toward this phenomenon.

The authors state the case well: the aspiration for self-management does not derive from concepts developed by a given political party or "thinker" but rather from the reality of the crisis and the development of that crisis.

Moreover, the self-management demagoguery of the French social democrats has constituted an effort to preempt this aspiration in order to misdirect it toward "self-management of the crisis." The book illustrates this point effectively by recalling what the position of the PS [Socialist Party] was when that party was in a sense "backed into a corner over the self-management issue" during the fight for implementation of the joint program.

This is undoubtedly the reason why certain individuals who only recently could talk of nothing else but self-management are today subtly avoiding the subject, which has become dangerous because the PCF's analysis of the crisis led it to the conclusion that the way out of the crisis is a self-management strategy, and after an evolutionary process (which the authors analyze in an interesting manner) the party has endowed the self-management aspiration with the means whereby it could evolve into a revolutionary mass struggle.

Every effort has been made to prevent this evolution of the PCF from coinciding with the growing aspiration for more democracy and for genuine participation. Every effort has been made to conceal this new reality, that is to say, to conceal the fact that the party of the working class is /the/ party of self-management--of "self-management socialism."

The fact is that this question is crucial: around it is articulated the entire struggle the outcome of which will decide whether the present downhill course will continue or whether there will be a democratic advance toward the self-management socialism that we desire for France. A strong and influential Communist Party that boldly develops its policy of rank-and-file "unity in action" and contributes to the development of powerful struggles capable of forcing big capital into a retreat and steadily improving the prospects for the necessary changes--a Communist Party that at every step is winning new positions for the working class--this is what is causing so much anxiety both on the right and on the left!

In my view, therefore, one of the principal merits of "Pour une strategie autogestionnaire" is that it so well demonstrates the class content of the discussion concerning the resolutely pro-self-management choice of the PCF and concerning the ways of enriching that choice by incorporating it into real life: in other words, into the struggle.

Another important series of reflections contained in this book relates to the nature of the revolutionary process that will carry forward the development of self-management socialism.

From all indications, this is the snare when one speaks of self-management: the temptation to describe the latter out of context, that is to say, to describe it without reference to the movement of the masses or to the relationship among the forces that will determine in detail the evolution of the new society.

The authors avoid this snare. They do not avoid the questions, however, for the simple reason that they must not be avoided. For example, the question as to how the state should evolve, or how the relationship between

the revolutionary parties and the state should be envisioned. Felix Danette and Jacques Scheibling share with us their reflections and their hypotheses. Aside from all the solid gains made by the PCF in these domains, as for example the rejection of all confusion between the party and the state--and conversely, aside from those topics of debate that is still largely open debate and doubtless will be for a very long time to come, such as the question of the so-called "decline of the state"--I believe that the crucial point, which the authors rightly emphasize in the entire final part of the book, is once again the question of class, to wit, what positions have the working class, the workers, won by the struggle? What new strength will they derive from the struggle, to enable them to advance further? The disposition of divisive questions such as the nature of the relationship between direct democracy and representative democracy, or the question of the "crossing of thresholds," will ultimately depend on this factor--that is to say, will basically depend on the greater or lesser degree of coherence among the objectives of the people's struggles.

With respect to all these complex questions, Felix Danette and Jacques Scheibling have chosen the course of "taking the plunge," as people say, in order to help the progress of the debate.

Felix Danette explains the reason for this in the very introduction to the book. "The 23rd Congress of our party," he says, "represents genuine political progress which now calls for a major effort of theoretical reflection with the aim of achieving a good adjustment. Such adjustment is necessary," he adds, "because it is indeed true that there is a kind of 'time lag' between this political breakthrough and the theoretical baggage which we must have in order to carry out this policy. We are faced by an entire series of political innovations which in themselves are just so many stimuli to cause us to reflect and to deepen the furrow that has been made. Coherent implementation of this policy requires precisely this kind of theoretical reflection which will supply us with an excellent foundation for action."

Felix Danette and Jacques Scheibling have chosen this course of "injecting" into the discussion a number of questions and reflections which they realize should be subjected to further collective study, for another reason which I believe to be important: they obviously believe they are duty bound to raise the questions that trouble them, and to publish an account of their reflections, not only in order to assist in advancing the policies of their party but also to assist themselves as communist leaders and intellectuals. This also helps to "deepen the furrow" of the 23rd Congress.

How many things remain to be said concerning such a book! Once again, though, it's better to read it yourself!

If in conclusion I may allow myself a concluding remark, it is that I hope many men and women will wish to add their voice to the "lengthy conversation" undertaken by Danette, Scheibling and Wasserman: to do so in FRANCE NOUVELLE, perhaps, but also (and above all) within the party organizations and in democratic discussion among the communists and the workers.

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## AIR FRANCE MAY BE ALLOWED TO BUY PRATT &amp; WHITNEY ENGINES

Paris LE MONDE in French 2 Oct 79 p 20

[Article by Jacques Isnard: "Air France Could Be Authorized To Purchase Pratt & Whitney Engines for the Airbus A-310"]

[Text] If the government concurs in recommendations recently submitted to it, upon its request, by the administrative and engineering department of its own civil aviation and armament agencies, Air France could quite possibly be given a free hand to choose--between competing offers by Pratt & Whitney and General Electric, two American firms--the engine that will power its future medium-range, 280-passenger Airbus A-310's.

The French Government is fully aware that the national airline favors the Pratt & Whitney proposals which would enable it to achieve savings of some 135 million francs, according to estimates made by high-level officials responsible for studying the matter.

## Penetrate the Market

This competition, which has been underway for several months, extends largely beyond the Air France contract limited to some 30 engines for the airline's firm order for five A-310's and options on an additional 10. The fact is that Pratt & Whitney is attempting, through this contract, to penetrate the Airbus market, although initially it had had no faith in the success of that aircraft. General Electric, for its part, is trying to safeguard a long-term industrial alliance it formed several years ago with France's National Aircraft Engine Design and Manufacturing Company (SNECMA).

This explains Pratt & Whitney's outbidding or unprecedented concessions in its effort to snatch this contract and breakup General Electric's association with SNECMA. At the same time, this also explains the bad humor of its American competitor with ties to the French manufacturer. General Electric is determined not to leave the Air France contract to Pratt & Whitney because it could influence other carriers throughout the world to follow the national airline's example.

To be able to install its JT9D-7R series engine on Air France's A-310's, Pratt & Whitney is offering to recondition, at its own expense, the older engines, of Pratt & Whitney design, on the national carrier's 17 high-capacity Boeing 747's. It also promises to relocate in France its engine overhaul and maintenance facility initially established in the FRG. This move would create jobs in France. In addition, Pratt & Whitney is offering French industry subcontracting work equal to 30 percent of the value of all of its JT9D engines powering the various versions of the Airbus.

To compete with these theoretical assurances, General Electric is offering the CF-6-80 engine for Air France's A-310's. It stresses the fact that it is already effectively collaborating with 22 French companies. Having laid the foundations of an industrial alliance with SNECMA a long time ago for joint development and production of three engine series --the CF6-50, CFM-56, and CF6-32--, General Electric considers its offer to be sufficiently bona fide to be credible.

#### A Risk

Before deciding between Air France's interests and SNECMA's interests, the Ministry of Transport and the Ministry of Defense, the overseer of the aircraft manufacturing industry, asked a panel of high-level officials to examine the comparative benefits to be derived by the French economy from each of the two proposals.

This panel submitted its findings on 20 September. These findings indicated--without definitively committing the government to any specific decisions--that the Pratt & Whitney proposal--providing it is explicitly negotiated in all of its details--could permit Air France to save the equivalent of 135 million francs at a time when its costs must be kept at rock-bottom level.

Under these circumstances, the most frequently assumed possibility is that Air France is likely to obtain government authorization to procure the equipment of its choice under the terms of the agreement previously concluded with the state and granting the airline relative decision-making autonomy. By recognizing Air France's freedom to buy from Pratt & Whitney, and thereby dashing the competitor's fond hopes of appropriating, as a matter of course and for a long time, the French clientele, the government runs the risk of indirectly casting political and commercial doubts on the backing it has supposedly been giving General Electric's association with SNECMA ever since it has encouraged the two firms to collaborate by granting them subsidies.

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## BRIEF

PS-PCF RIFT ANALYZED--Mr Jean-Pierre Chevenement [leader of French Socialist Party faction] published a statement 11 October saying, in particular:

1. Although there is a debate within the Socialist Party [PS] on the reasons which led the PCF to break off the negotiations on updating the joint program 23 September 1977, there is no divergence on the fact that it was the Communist Party which bore the main responsibility for the break by refusing to examine the latest socialist proposal on the scope of nationalization.
2. Although that proposal was supported at the time by the PS unanimously, everyone must know that 3 months previously socialist assessment of the nationalization problem differed profoundly, whether concerning the range of nationalizations, the method of compensating private shareholders or the economic function of nationalizations. To see this you only have to refer to the debate at the Nantes congress.
3. How can we maintain at the same time that certain socialist positions had no bearing, yesterday, on the PCF's decision to break the union, and that, tomorrow, our present positions will, as I believe and as the Metz motion states, make it return to the union?
4. Also, is it reasonable to believe that the debate running through the PS since March 1978 is absolutely unconnected with the fundamental PS-PCF debate as it developed in 1977? [Text] [LD291155 Paris LE MONDE in French 13 Oct 79 p 40 LD]

UZBEK DELEGATION ENDS VISIT--Roland Leroy, chief editor of L'HUMANITE and member of the national presidency of the France-USSR Association, received at L'HUMANITE headquarters the Uzbek SSR Republic delegation at present visiting France for that republic's cultural exhibition currently being held by France-USSR. The delegation, headed by Uzbekistan CP Central Committee secretary Salimov also included the chairman [not further identified] of the Union of Friendship Associations and Mr Rzaev, chairman of the Presidium of the Karakalpakskaya ASSR [title as published]. The Soviet delegation also attended the private viewing of a major Uzbek people's art and painting exhibition at France-USSR Association headquarters, 61 Rue Boissiere. It also attended the first shows given in France by the "Bakhor" national folk dance troupe in Amiens and Sartrouville which will also be staged in some 20 French cities over the next month. The delegation was entertained to lunch at the Senate by Jean-Louis Vigier, chairman of the Franco-Soviet friendship group. Before leaving for the USSR the day before yesterday the delegation visited Nice and Menton where various exhibitions were being shown, especially artistic gala performances with the "Bakhor" troupe. [Text] [LD011335 Paris L'HUMANITE in French 17 Oct 79 p 3 LD]



## NATIONAL WAGE, FARM INCOME AGREEMENT SIGNED

Reykjavik MORGUNBLADID in Icelandic 16 Sep 79 p 2

[Text] The agricultural agreement that the government has now confirmed, pursuant to the proposal of a six person committee, will raise farm income by 16.74 percent. The last time the income section was changed was 1 June, but during the period to which this last income rise applies, the income boost for general wage earners in the country has been 12.4 percent, which is a 3 percent basic wage increase since June and a 9.17 percent increase owing to price bonuses in September. The agreement, however, calls for a 16.74 percent income hike. MORGUNBLADID went to Gudmundur Sigthorsson, the secretary of this six person committee, for an explanation of this difference.

Sigthorsson said that the income section was calculated according to a specific ratio of the income of general workers and industrial workers and that an agreement was made last year. Gudmundur Sigthorsson said that in a further projection of the agreement an increase had been dropped that exceeded the rise of the indexed income portion of industrial workers, even though the Federation of Icelandic Employers and the Association of Mineral Workers and Shipbuilders agreed to this increase last December. This increase was in addition to a general wage increase for the country. The boost was added to the transportation and food allowances of industrial workers. This increase is equivalent to about 2 percent of the farmers' income under the agreement, in addition to the 12.4 percent.

Sigthorsson said that the change had been made under a government regulation during the year that a sick pay allowance that is included in the agreement now applies to all the incomes in the agreement, whereas before it applied only to daily wages. This change is equivalent to an income rise of about 0.3 percent.

The committee also agreed to change the ratio of the income of unskilled workers and industrial workers in the calculation of the farmers' income. Instead of comparing the farmers' income to 55 percent of the income of industrial workers and 45 percent of unskilled workers, it is compared to

## UNION LEADER SAYS FARMERS' INCOME RISE IS EXCESSIVE

Reykjavik MORGUNBLADID in Icelandic 16 Sep 79 p 32

[Text] "In my opinion this rise in the farm income section of the new farm product pricing agreement is not in keeping with the prevailing policy in income matters," said Asmundur Stefansson, the manager of the Icelandic Federation of Labor when MORGUNBLADID asked for his opinion on the price increase for farm products, which takes effect on Monday, and the part of the section involving the rise in particular. MORGUNBLADID also asked Stefansson about possible reaction from the workers' movement.

"It is clear that farmers' income is being raised considerably more than other incomes," Stefansson said. "What is happening is that not only is farm income section being projected forward, but the comparisons are also being altered. The weight of the income ratio of industrial workers is increased and the benefits section for metal workers has been altered. This involves food and transportation allowances, which I don't think should be added to the farmers income, as they work at home on their farms. Secondly, the volume of certain expenditure sections, such as quality fodder and fertilizers, seems to be increased without increased output.

"On the other hand, it is difficult for me to judge this in detail at this stage, as the Icelandic Federation of Labor (ASI) does not have a seat on the six person committee. But as far as I know, the farm income section has increased much more over the last couple of years than, for example, workers' income. I think that since the beginning of 1978 until now, the income rise for farmers is about 13 percent more than that of the workers.

"I think that this big increase is a serious matter. I guess that this price increase for farm products means about a four percent increase of the index number, and wage earners will not be compensated until 1 December. This happens at the same time that indirect taxes go up, and combined with the increase in farm product prices, this makes about a six percent price rise.

"I don't want to say anything about the reaction of the workers movement at this point, as the ASI central committee has not discussed the matter."

## PRESIDENT EANES COMES UNDER INCREASED CRITICISM

## Flap Over Statement

Lisbon DIARIO DE NOTICIAS in Portuguese 12 Oct 79 pp 15, 16

[Article by M. Bettencourt Resendes: "A Trip and and Interview"]

[Text] As is usually the case with so-called state visits, Gen Ramalho Eanes' trip to France may not be an occasion for sensational news. The president of the republic left with an important guarantee in his "luggage" (Giscard's promise of "immunity" for the Portuguese with respect to the legislation encouraging the return of emigrants), and it is only natural that the tenor of the conversations be inclined toward matters relating to Portugal's entry into the European Economic Community. It is likewise not rash to state that the African issue was one of the focal points for the attention of Giscard D'Estaing and Ramalho Eanes.

Insofar as the Common Market is concerned, it is known that the political desire related to French support for the extension of the Community is undeniable, but we are not unaware of the French concern over the possible competition from agricultural products of those currently seeking to enter the Europe of the Nine; and Spain, in particular, will be at stake here, because our agriculture does not appear to be in a position to cause "head-aches" for anyone but the Portuguese themselves. To put it more accurately, it is the weakness of its structure that underlies the community's misgivings in this area. However, the so widely discussed "Ford plan," which may materialize in Sines, seriously shocked the Champs d'Elysees, not just because France was one of the candidates bypassed by the American multinational firm, but because Paris fears that the no less well known "Renault plan" may be harmed in some way. On the Portuguese side, statements have already been made, for the purpose of calming Eane's most recent hosts; but the fact is that the topic was one of the "heated" points at issue in the special committees. The French, who lost the "race" in Portugal in the color television "dossier," would like to take maximum advantage of the "Renault plan," and they also appear interested in having Portugal "open" the nuclear issue. This would, in fact, afford a good opportunity for French technology to "take revenge" for the failure of SECAM [Sequential Memory Color (television

system)). However, it is unlikely that the Portuguese Government has gone beyond a merely circumstantial concept in this area; because the FRG, which is deeply involved in the international nuclear energy market, will not fail to play its trump cards.

As Diogo Pires Aurelio, DIARIO DE NOTICIAS' special correspondent in Paris, noted in his articles, Africa was present to a significant degree in the talks between the two presidents. France has considerable influence on the black continent, and Giscard has made use of it in a way which, transcending polemics, has disclosed a desire for affirmation that does not necessarily coincide with the interests of the United States or, obviously, of the Soviet Union. The French president has his own "channels" for Africa, and he will not seek any type of middleman function from Eanes; but, on the other hand, he is aware of the potential of the Portuguese contribution toward the maintenance of a "status quo" on that continent which, at least indirectly, might not interfere with French interests.

The matters associated with the Portuguese emigrants in France were discussed less in the presidential talks than among the bilateral committees. Our fellow countrymen will not be included in the so-called Barre-Bonnet laws (which is due to their proven capacity for work and not solely to the merits of our diplomacy). Hence, what is mainly at issue is the granting of certain benefits of a social and educational nature, specifically, increased instruction in Portuguese for the children of emigrants.

Thus, it was around these coordinates which have already been dissected in detail in the daily reports published by DIARIO DE NOTICIAS that a visit replete with political significance revolved.

#### An Interview

The night before his departure for Paris, Ramalho Eanes granted the prestigious LE MONDE, ever heedful of the Portuguese reality, an interview which is at the center of political polemics in Portugal. Along the line of the recent clarification of the president's address, Eanes' statements contained three key ideas of major significance: the parties' being to blame for the political crisis, the effort demonstrated for an understanding between Socialists and Social Democrats which would be "the appropriate course of action for Portugal," and the statements on the situation in Alentejo where the state's authority is exercised "in an absolute manner."

With regard to the first topic, the president of the republic stated, specifically: "The parties which could eventually comprise political majorities have always assumed incompatible positions. As a result, we have witnessed a process of transfer of responsibility from the parties to the president of the republic, which has complicated the latter's mediating function. (...) The fact is that no Portuguese political party has had its goals met in their entirety, nor its interests sufficiently protected." This ascribing of responsibility to the parties is not unprecedented in Eane's political thinking,

but it still evokes, as has occurred now, once more, a certain uniformity of reaction (except for the PCP [Portuguese Communist Party]) of protest from those affected, who challenge the failure of the president of the republic to admit "his share of the blame" for the political crisis.

The references to the president's attempt to promote an understanding between the PS and PSD promise to cause a greater controversy: "I have always tried to achieve a realistic political rapprochement between the Socialists and Social Democrats; because I think, based on the election results, with my election message and with the positions that I have assumed throughout my term in office, that this is the appropriate course of action for Portugal. Unfortunately, the hypothesis of such a rapprochement, which could be the key to political stability, has encountered a power struggle without quarter. In this struggle, everything has been forgotten: programs, policy statements... It is forgotten that divisions among the Socialists and Social Democrats foster extremism and threaten democracy." With the Democratic Alliance in full force, and 10 days from the Interparty elections, this revelation is a serious "bitter taste" for the members of the coalition at stake. Freitas do Amaral regarded it as "very serious," and promised a "proper" reaction from the CDS [Social Democratic Center Party] after Eanes' return; while the PSD retorted with the publication of a harsh communique. The PS, for its part, maintained a cautious silence, probably watching with a certain amount of pleasure the intensification of the differences between the president and two of the groups backing his candidacy; a fact which would extend the Socialists' maneuvering area in its relations with Belem and, indirectly, the importance of what they have to say on the occasion of the next presidential elections.

The comments made by Eanes on the situation in Alentejo may be associated with the distance that he kept from the PCP in the same interview: "There is nothing to identify me with its political ideology, its methods of organization or its specific objectives. However, so long as the Communist Party respects democratic legality, as it has since 1976, there is no reason for me, in my institutional functions, to consider it on a level of democratic inferiority." And, elsewhere in his remarks, now in connection with Alentejo, he said: "The authority of the state is exercised in Alentejo, as it is all over Portugal, in an absolute manner. However, Alentejo has become the scene of a confrontation between the PCP and the parties which are opposed to it; which explains the fact that the problems which exist there often assume artificial dimensions." In this regard, it is understandable that the president of the republic could hardly express publicly an opinion that was substantially different from one one disclosed to LE MONDE. But, to do so in such a peremptory manner (and deliberately downplayed) is a political act with risks which cannot easily be estimated.



## Accused of Not Fomenting Unity

Lisbon DIARIO DE NOTICIAS in Portuguese 12 Oct 79 pp 3, 6

[Article by Paul Rego, a PS member: "The President and the Parties"]

[Text] The president of the republic appears more uninhibited when talking with foreign newsmen and foreigners than he does with Portuguese newsmen or politicians. But his odd interview with LE MONDE does not seem to us to have changed his image among the Portuguese people, nor has it explained the great destabilization in Portuguese political activity since the president opted for direct intervention, disregarding Portuguese partisan activity. Gen Ramalho Eanes has again claimed that all the parties are to blame for that destabilization, even blaming the people who voted for them.

But are the parties, in fact, chiefly to blame, or could the blame be distributed equally, particularly by one who has proven incapable of holding dialog with the parties, and also incapable of understanding that, in a democracy, one usually has to govern with the parties, and not systematically give preference over them to individuals or movements for which the people have not even voted?

"There is nothing to identify me with the political ideology of the PCP," we are told, quite naturally, by the president; and only blind hatred would prompt certain politicians, who would like to remain close to the president and manipulate him according to their partisan interests, to spread such a rumor. But, while nothing would identify him with the PCP ideologically, the same thing cannot be said about his manner of operating, wherein secrecy and a harshness which is at times abrasive because of the lack of understanding of the most fundamental aspects of communication have been prominent features of Ramalho Eanes' personality. For example, we observe the uselessness of weeks of consultations with politicians on the formation of a government, followed by the selection of a formula which seemed to have been rejected, merely because it pleased the president, although it was opposed by nearly all political circles. This personalism which has been termed the presidentialist penchant is clearly evident in all of Eanes' action. And, in this respect, it does not appear to us that we are far removed from that "decision-making power not controlled by a complex, unstable system of partisan balances or by the need to preserve the individual identity of each political organization." It does not seem to us that he has preserved interests and conveniences of major political organizations voted for by the people when dismissing the Second Constitutional Government, nor that his obvious intervention in certain government departments has avoided personal power, quite often running counter to the interests of the community. Appointments in the field of the media and in the diplomatic sector, which everyone knows to have been made by the president, have only done a disservice to genuine democracy, and have created a series of major problems in the construction of a country for all the Portuguese people. Everyone knows that the dismissal of Coimbra Martins as ambassador to Paris originated with the president of the republic, as did the retention of the present



general secretary of the Ministry of Foreign Affairs, despite all of his commitments to ill-fated institutions such as the political police, which are well known and published in books and newspapers.

In attacking one another, the parties are putting democratic existence at stake. In ignoring them and going over their heads in governing, the president is destroying that same democratic existence; because his job is to work and collaborate with the Assembly of the Republic, and not to exclude it. The impression that Gen Ramalho Eanes has given to the entire Portuguese people is that he is comfortable only when out of touch with the parties and forming extra-parliamentary governments. Considering the system of partisan governments to be outworn after 2 years, he thought up the system of extra-partisan governments, which was to be repeated once, twice and three times. However, none of them gave the country either a feeling of security nor stability. Furthermore, it should likewise be stressed that he did not take the opinion of the Assembly of the Republic into consideration at all when dissolving it, contrary to his categorical assertion made on 25 April of this year.

In the interview with LE MONDE, the president repeated a statement which seems to us to be almost an obsession, so persistent has he been about it: "I am still convinced that the solution to the problems of Portugal entails the creation of an atmosphere of social stability. Only a politically coherent majority can achieve it." This time, the phrase which used to be "stable majority" became "politically coherent majority." Many people are convinced, like the president, that a coherent or stable majority is better than a divided assembly, without a dominant countenance. But what is desired is not always what we have to work with, and when he was elected president of the republic Ramalho Eanes could not order a coherent or stable majority. He had to work as president with the assembly that the people had elected a short time earlier. Upon being elected, he was even aware of the fact that he did not have a coherent or stable majority. He had to work with what he had, and respect the will of the people, even though it might be difficult and arduous.

The president has again brought up a dubious matter, we might say that he is hiding the truth when he tells us: "The parties which might eventually comprise political majorities will always assume incompatible positions." This statement is linked with another to the effect that he will always "attempt a realistic political rapprochement between Socialists and Social Democrats." And he explains: "Because, based upon the election results, my election message and the positions that I have assumed throughout my term in office, I think that this is the appropriate course of action for Portugal."

We have two different problems here. In the first place, according to the subsequent communique from the PPD [Popular Democratic Party]-PSD, "He never promoted any meeting between Mario Soares and Sa Carneiro, nor between delegations from the two parties, and he never explained his intentions publicly to the Portuguese people, except on 6 June of this year, the very

next day after the conclusion of the agreement between the PSD and CDS." In fact, there was an agreement between the CDS and PSD which offered a government of 6 months, which the president of the republic incomprehensively attacked in his speech of 25 April, without ever having made any observation or individual criticism regarding the heads of the two parties. But the president of the republic never attempted an agreement between Mario Soares and Sa Carneiro.

Secondly, I can even understand how an agreement between Sa Carneiro's party and the Socialist Party might be difficult, if not impossible. The fact is that, although Sa Carneiro's party calls itself "Social Democratic," it has nothing to do with social democracy. So much so that the Social Democrats belonging to it left during the recent split; and they left precisely because they were not conservatives, but rather social democrats. But the president of the republic might have gone further and said that it was only he who did not want a government which would be a natural one and a normal alliance between the Socialists and the Social Democrats who had become dissociated from Sa Carneiro's conservatives. That agreement was concluded, was submitted to the president of the republic and offered a government with a majority in the Assembly of the Republic; and it would have prevented the dissolution of the latter. But the president of the republic did not accept what he now claims to consider a normal rapprochement. Instead, he preferred to continue with his extra-parliamentary governments, and to embark on this destabilization, all of which is a result of the dissolution of a Parliament against its will, only a few months before the end of its term.

The president of the republic is also aware that Sa Carneiro's party took the name "Social Democratic" at the time when it was undergoing the first split, with the departure of Emidio Guerreiro, Mota Pinto and others, so as to prevent it from becoming established alongside the Popular Democratic Party, another and genuine social democratic party. Now left with only the conservatives, it was also understandable that it should become allied with the other conservatives and even the monarchists, which really explains the Portuguese political situation, with a division of the Assembly of the Republic into right and left, wherein there is a lack of the center Social Democrats who are such by doctrine and not only by name, and who would be the natural allies of the Socialists.

It appears to us that what has interfered with the communications between the parties and the president of the republic has been the latter's extreme inflexibility and his sphinx-like silence, not communicating with his ministers and preferring to criticize them publicly, as he did on the date of his communicability and understanding, namely, 25 April. On the other hand, it appears to us that the president has been unable to surround himself with people from all quarters and persuasions, who could offer him the gamut of all opinions. There is a humility that is necessary in all situations and positions, namely, that of knowing how to listen and to compare

our opinions with those of everyone else. In a democracy, a president cannot ignore or set aside the views of the parties. Now since the Second Constitutional Government which, with the good will of the president of the republic, might perhaps have continued, or at least would have continued with a majority in the reshuffled Parliament; but, since that Second Government, the president of the republic has always given the impression that he has no confidence in the Assembly of the Republic and in the parties. The propaganda against real democracy of half a century has become preeminent, even among many democrats. Wisdom, understanding, good will, patience, perseverance, understanding others: these are some of the virtues which are required of anyone who does not judge himself to be the sole possessor of the coffers of truth and who really wants to be a democratic ruler.

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CSO: 3101

## PARTY SPOKESMEN ON ATTITUDES TOWARD PALESTINIAN CONFLICT

Lisbon DIARIO DE NOTICIAS in Portuguese 13 Oct 79 p 29

[Article by Simoes Ilharco: "What Should Portugal's Position on the Palestinian Problem Be?"]

[Text] "Portugal, which recently chaired the Security Council's Committee on Israeli Settlements on Occupied Arab Territories, would like to leave here its clearcut testimony concerning the Palestinian people's increasing apprehension and anxiety over the recognition of their inalienable human right to possess a land to which they may have free access, and the termination of a situation which has upset the moral conscience of the nations." These comments, made recently in the UN General Assembly by Maria de Lurdes Pintasilgo, constitute a visible intention of improving Portugal's relations with the Arab countries.

Those relations, which experienced an interval of great openness after 25 April (until the end of 1975, our country extended its diplomatic ties to include no fewer than 13 Arab nations), suffered a setback when the first constitutional government decided to raise its relations with the state of Israel to the ambassadorial level, a decision with which the then minister of foreign affairs, Medeiros Ferreira, did not agree, his vote having been defeated.

The improvement in relations with the Arabs did not begin until July 1977, when Portugal announced its willingness to accept the opening of a delegation of the Palestine Liberation Organization (PLO) in Lisbon. This was the starting point for a reactivation and substantial intensification of Portuguese-Arab relations; and it might even be said that this improvement, in which the president of the republic has appeared to be particularly interested, took a course parallel to that of a change in the Portuguese position on the Palestinian issue.

On the eve of the World Conference of Solidarity With the Arab People and the Palestinian Cause, which will take place in Lisbon from 2 to 6 November, the overall picture may be regarded as encouraging: Portugal, while continuing to recognize the Israeli nation's right to existence and to peace, has not

failed to raise its voice in favor of the legitimate national rights of the Palestinian people. By claiming that this right to nationhood and peace, within borders that are recognized and respected, applies to all the peoples of the Middle East, our country has made its contribution to the possible elimination of one of the most dangerous focal points of tension in the world.

Yasser Arafat, president of the PLO, will soon be coming to Portugal, which was visited at the end of last month by Abdullah Hourani, member of the Palestinian National Council and of the Executive Committee of the same organization. Hourani, who met with delegations from the PS (Socialist Party), PSD (Social Democratic Party) and PCP (Portuguese Communist Party), requested that the leaders of those parties use their influence to lend Arafat's visit an official status. Both the PLO leader and the parties that were contacted have described the meetings as "highly important, constructive and significant."

The inquiry requested by DIÁRIO DE NOTÍCIAS on the issue of Portuguese-Palestinian relations received responses from Rui Mateus (PS), Francisco Balsemão (PSD) and Abimílio Inglês (PCP). The CDS (Social Democratic Center Party) was contacted, but it declined to comment on the matter.

#### Rui Mateus: On Behalf of a PLO Permanent Delegation in Our Country

Contradicting the resolution passed in 1947 by the United Nations Organization Special Commission, not only was a Palestinian state not created simultaneously with the state of Israel, but, with the conversion of Transjordan into the kingdom of Jordan, the problems of the Palestinian refugees became so much worse that they are currently having a serious effect on the political evolution of the entire Middle East.

As is common knowledge, the Socialist Party unhesitatingly supports the creation of a Palestinian state and recognizes the Palestine Liberation Organization, founded in 1964, as the representative of the Palestinian people, in accordance with the principles of official recognition of this movement by the United Nations Organization in 1974. In this spirit, we believe that the process which was started by the First and Second Constitutional Governments for opening a permanent delegation of the PLO in our country, and which was unfortunately interrupted by the amorphous policy of the Mota Pinto government, wherein demagoguery prevailed, should be continued by the current government.

Without challenging the existence of the state of Israel, Portugal, a democratic and sovereign nation, should, through its government, encourage with all the means at its disposal the establishment of a permanent PLO delegation in our country, just as has occurred in many other countries already. To do otherwise would mean contributing negatively to a "status quo" marked by the present nonexistence of dialog among the parties involved in this serious conflict.



The Socialist Party sincerely believes in dialog as a means of resolving conflicts among nations and although, on the one hand, we refuse to accept the principles of the PLO Program calling for the annihilation of the state of Israel, we are convinced that peace in the Middle East and the security of the state of Israel will only become an actual reality when a Palestinian state which truly represents its people exists.

All the arguments brought up in the past concerning Portugal's relations with the Arab world by certain groups linked with specific interests were senseless and ran counter to Portugal's national interests as a sovereign nation whose democratic principles, which came into existence on 25 April, call for the establishment of relations with all the nations of the world. There is not, nor can there be any incompatibility in the relations between Portugal and Israel provided our relations with the Arab nations, with whom we have historic bonds, and with the Palestinian people, are not ignored. This has been said by many countries, of which Austria or Romania are outstanding examples. Also symptomatic was the presence of the PLO and the Arab political parties of Iraq, Syria, Lebanon and Morocco at our last National Congress, which was also attended by our comrades from the Israeli Labor Party.

I think that the present government should act swiftly, with coherence and skill, on behalf of the development of diplomatic, commercial and cultural relations with all the nations of the Arab world and (without resorting to publicity stunts copied from other countries) recognize the PLO as the legitimate representative of the Palestinian people, before organizations with rather unclear interests start claiming for themselves political victories based on a fact which, sooner or later, will inevitably be consummated throughout all of Europe.

#### Francisco Balsemão: Policy on the Middle East Is Yet To Be (Re)made

As I and my party see it, the Israeli-Arab conflict occupies a preeminent position among international problems, and its implications in the energy crisis which is seriously affecting the West and from which Portugal is not immune are obvious.

The Camp David agreements may represent the beginning of a solution to the conflict, but they will not do so until a Palestinian state has been established in accordance with the context of UN Resolutions 242 and 338. The recognition of the PLO as the legitimate representative of the Palestinian people entails a need for diplomatic contacts with this organization, but it should not and cannot imply the non-recognition of the state of Israel or of that country's right to its security.

From the analysis which might be made of the status of the Palestinian issue, one infers that some moves have been made recently toward progress in a positive direction. Both the PLO and Israel seem willing to realistically consider the fact that both are political realities, whose fundamental goals must be respected. In other words, the Palestinian people should have a



state, and Israel must exist under conditions that will guarantee its security.

This apparent predisposition to take to the area of negotiation and diplomacy a problem which has, thus far, been dealt with in terms of violent confrontation, is important.

The progress that has been noted is in the direction advocated by the PEO. In this connection, it is extremely important to insure another fundamental objective: that the final solution will not be marked by control, or the unwarranted presence of the Soviet Union, which has been attempting to penetrate the Middle East using all means, for several decades, and which has not had very notable "success" recently.

But it is obvious that the Palestinian problem is not the only difficult issue in the Middle East.

And the problem faced for Portugal is that it has not yet managed to establish an agreed upon policy with respect to the Arab world. For example, for many years the only stable relations were those within the practical area of activity of the Gulbenkian Foundation; and, later, that of private economic groups which began operating in certain Arab countries successfully (another reason for Portuguese diplomacy to be present, so as to organize and give backing to the Portuguese nationals working in those countries).

On 25 April there arose the theory of our Third World destiny and its corollary of Portugal as a "bridge," or "turntable" operating between Europe and the Third World. That theory has been applied in particular to the Middle East, but its results have been slight, if not negative. The allegedly progressive quality that has been attached to this application (either by the countries selected or by the selection of the individuals responsible for making it) has not earned dividends.

Insofar as the Middle East is concerned, Portugal's foreign policy is, therefore, yet to be (re)made. In this task, we must bear in mind:

The importance of the defense and security aspects relating to the Middle East, and the fact that our interests will coincide with those of the NATO countries; which does not prevent us from trying to create a sufficient margin for maneuvering to enable us to keep our distance, provided it is possible and necessary.

Portugal intends to join the EEC [European Economic Community] and, when it succeeds in doing so, it will benefit from the agreements concluded (and to be concluded) between the European Community and certain nations of the region, such as Israel and the North African countries.

Portugal was elected a member of the Security Council, and the issues relating to the Middle East are among the ones which most often arise in this UN entity.

An improvement in relations with the former colonies, some of which, such as Guinea-Bissau, are under Islamic influence, could be a factor to remove obstacles in our foreign policy toward the Middle East.

The Middle East must be interpreted in the broad sense, as a vast geographical region composed of 20 countries which, although they have a great deal in common culturally, reveal national interests that are sometimes widely divergent, and which are governed by different types of regimes which, in many instances, are even of a contrary nature.

This political and economic diversity is sufficient proof that the Middle East problem is too complicated to allow for a merely universal policy whereby an attempt is made to include together all the countries which comprise the region.

For that very reason, the Portuguese foreign policy relating to the Middle East will have to be extremely pragmatic, bearing in mind the different realities and acting at all times in accordance with the national interests.

#### Aboim Inglez: Relations With the Arab Nations Should Be Corrected

The depiction contained in Article 7 of the Constitution of the Portuguese Republic establishes the major principles which must guide the foreign policy of the new Portugal which we are building in the new world which is also in a state of mutation and construction. Those who pejoratively label our constitution as "doctrinaire," as a synonym for attempted lack of realism, are indeed themselves the unrealistic ones, who are and who want us to remain dissociated from real life, from the concrete world and from the historical era in which we are living and must act.

It is obvious to us that, insofar as the issue of the Middle East and relations with the Arab peoples are concerned, Portugal, as a state, and the Portuguese political forces (specifically those which, in the recent past, prompted by foreign interests and commands alien to the national interests, peace and justice, committed acts that were highly detrimental to our relations with the Arab nations), must now correct them, and expend efforts, which may now carry some weight in the world, to aid in the just solution of the Palestinian problem, and in an overall improvement in our relations with the Arab peoples, with whom we are, moreover, united by age-old bonds that must be reevaluated.

The Palestinian issue is the key to the entire situation in the Middle East. We are obviously witnessing at present the beginning of a change with regard to the prospects for finally achieving a just solution to this problem. Evidence of this is the recent attitude of entities which, a short time ago, were allied with the "diktats" of the American and Zionist extreme imperialists, and which are now attempting to stand apart from them and to face the realities. The change is difficult, without doubt. We can and should contribute to a decision on this positive change that has been called for.

The situation which has prevailed to date in the Middle East has jeopardized and is continuing to jeopardize international security and threatens the very existence of an entire people, the Palestinian people, as well as their inalienable rights. The failure of the so-called Camp David agreements (which we immediately condemned as a hoax and a betrayal) is now evident. The shameless acts of banditry on Palestinian soil itself and in attacks from outside (committed by the Zionist leaders of Israel), which are possible only because of backing from imperialist circles in the United States, will have to end. They have even jeopardized what we do not wish to deny: the right to existence and security of all the states in the region, including Israel. The UN resolutions on the Middle East indicate the only real solution: Israel must withdraw from the territories occupied after 1967; and there must be recognition and guarantees for the inalienable national rights of the Palestinian people to self-determination, to the establishment of their national, independent and sovereign state, and to their free and safe return to the fatherland of which they were criminally despoiled.

But nothing will be possible without the full participation of that representative political force which now, more than ever, is only being challenged by those who persist in refusing any solution: the Palestine Liberation Organization (PLO). Hence, we hail the forthcoming meeting in Lisbon of the World Conference on Solidarity with the Arab People, and their main cause, the Palestinian issue, and the announced participation of the PLO's top-ranking leader, Yasser Arafat, the recognized and indispensable statesman and spokesman for the Palestinian people, whom the Portuguese government should be honored to receive fittingly. Hence, we express our wishes and shall expend our efforts so that the Portuguese government, complying with the fundamental principles of the constitution and giving proof of its realism and independence in the realm of foreign policy, will soon give complete recognition to the PLO as the legitimate representative of the Palestinian people. It will be an honorable contribution to peace and justice in the world, and to the prestige and national interests of Portugal.

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CSO: 3101

## BANK STUDY SHOWS PURCHASING POWER DECLINES

Lisbon O DIA in Portuguese 15 Sep 79 p 5 supplement

[Text] A salary of 40,000 escudos in 1974 would correspond to one of 473 contos in 1979 in order to have the same purchasing power.

In the vast majority of cases purchasing power has not been maintained, especially at higher salary levels.

Since 25 April [1974] wages have to some extent kept ahead of price increases in the cases of industrial workers and rural wage earners.

But this increase in wages was not accompanied by an increase in productivity, much less by a change in price mechanisms. It would be very interesting, in any event, to find out what gross amount of earnings at a given time would be needed to provide the same purchasing power available in 1974.

The answer to this question is given us in a study published recently by the Portuguese Bank of the Atlantic [Banco Portugues do Atlantico].

According to this report, since it is impossible to make an accurate correction of the indices of real wages by computing transfer payments between "earned income" and the government, it is necessary to seek additional information by computing the gross earnings in 1979 that would be equivalent to gross earnings in 1974; that is, those which would provide net earnings that would purchase an equivalent quantity and quality of goods and services.

Thus, and by referring to Table 1, it can be concluded, for example, that a gross monthly income of 33,000 escudos would be needed in 1979 to have the same purchasing power as 10,000 escudos per month had in 1974.

In fact, the increase in living costs compared to that in wages has been notorious, despite several measures decreed by various administrations to moderate the rise of inflation, mainly by setting ceiling prices for various foodstuffs.

Table 1: Equivalent Gross  
Monthly Earnings (escudos)

| 1974   | 1979    |
|--------|---------|
| 4 000  | 12 109  |
| 6 000  | 16 695  |
| 8 000  | 25 760  |
| 10 000 | 33 240  |
| 12 000 | 41 240  |
| 15 000 | 55 678  |
| 20 000 | 85 619  |
| 30 000 | 267 723 |
| 40 000 | 473 612 |

It is no wonder that these measures have been ineffective. The lack of basic reforms in the economic system, combined with low productivity and reduced investment, results in an increasingly deteriorating economic situation, instability and more or less widespread lack of confidence.

In this situation, measures that seek only to set prices for goods, neglecting the whole process upstream of the consumer, have little chance of success.

As a matter of fact, there is now a slowing down in the rate of increase in wages. This decrease is explained by the large number of unemployed and by the financial troubles of a large number of business firms that are reflected in wage demands.

Finally, referring to Table 2, we can learn what part of the increases necessary to restore 1974 purchasing power was due to inflation and what part was due to direct and indirect taxes.

Table 2: Causes of Increases in Equivalent Gross Earnings

| 1974 Gross<br>Monthly<br>Earnings<br>(escudos) | Gross<br>Increases<br>1974 to 1979<br>(escudos) | Disaggregation of Increases<br>Inflation<br>Effect | Direct and<br>Indirect Tax<br>Effect |
|--|---|--|--------------------------------------|
| 4 000  | 8 109   | 49.5   | 13.0                                 |
| 6 000  | 12 395  | 62.4   | 17.6                                 |
| 8 000  | 17 760  | 75.8   | 25.2                                 |
| 10 000   | 23 240  | 78.2   | 23.8                                 |
| 12 000   | 29 240  | 72.7   | 21.3                                 |
| 15 000   | 40 678  | 85.9   | 34.7                                 |
| 20 000   | 65 619  | 54.0   | 46.0                                 |
| 30 000   | 267 123   | 31.2   | 27.7                                 |
| 40 000   | 473 612   | 18.3   | 8.1                                  |



## FOREIGN TRADE SITUATION VIEWED

Lisbon O DIA in Portuguese 15 Sep 79 pp 5, 6 supplement

[Text] One of the major concerns of all caretaker and constitutional governments we have had since 1974 has been reducing the amount of our imports, accompanied by an increase in our exports. These tasks, as is well known, are not at all easy, inasmuch as our exports have a high component of imported products. At first glance we would appear to be in a blind alley. But within certain limits and through the restrictive policies imposed upon us, these objectives were partially reached.

This problem will become especially more difficult when we become a full-fledged member of the Common Market.

It is now important to determine the origin and destination of our imports and exports. That information is supplied to us in a study of Portuguese foreign trade made by the Export Promotion Fund.

According to this study, various aspects are revealed by analyzing the geographical distribution of our foreign commerce in 1978. Thus, 1978 witnessed a greater concentration of our commercial transactions with member countries of the OECD, which absorbed 81.6 percent of our exports and provided 77 percent of our imports.

These amounts are extremely significant, if we bear in mind that they were never reached previously and that the largest concentration is in member countries of the EEC. Hence, to a certain extent, our integration in the EEC is already an undeniable reality in terms of foreign trade and is confirmed by the figures.

Furthermore, there was a loss of position in total foreign trade, and especially in exports, by important areas that had been gaining a certain significance in Portuguese foreign transactions--as was the case with CEMA countries and the Arab countries of North Africa and the Middle East.

There was also a decrease in the importance of Portuguese-speaking countries as both clients and suppliers.

Meanwhile, the situation remained practically the same in regard to the countries of destination for Portuguese exports compared to previous years, with the United Kingdom, the FRG and the United States continuing to be our principal customers.

Member nations of the European Economic Community represented 55 percent of Portuguese exports and 50 (as published) percent of our imports in 1978.

Although our trade with these nations has always been at high levels, it is only in the last 3 years that their importance in our foreign trade has increased significantly, reaching their highest level in 1978.

Although our foreign trade deficit with these countries has increased by about 1.0 percent, the coefficient of coverage showed an improvement: 484 (as published) percent in 1977 compared to 57 percent in 1978.

As happened in 1977, our trade with Denmark and Ireland had a balance favorable to Portugal.

There was a reduction in the trade deficit with Italy, and the coverage coefficient improved significantly, due mainly to increased exports of passenger cars and trucks to Italy.



## EFFECTS OF GOVERNMENT-APPROVED PRICE INCREASES ANALYZED

Lisbon EXPRESSO in Portuguese 15 Sep 79 pp 8R, 9R

[Article by Antonio Silveira, Jose Vasconcelos and J. da Ponte: "Are Price Increases Inevitable for the Portuguese Economy? For How Long?"]

[Text] 1. The government has just decreed, apparently with reluctance, another price increase for a number of essential consumer goods, raw materials and basic products and consented to an increase or liberalization of some others. With this worsening of an inflation that by July had already reached a rate of about 24 percent (see Table 1--the consumer price index for continental Portugal, exclusive of housing, had an average increase of 23.8 percent by that month--and also Graph 1), the Portuguese people will now have to again confront new and quite substantial price increases.

If we analyze it correctly, the major categories of household expenditures--water, gas, electricity, gasoline and diesel fuel, telephone, transportation (public and private) and even food will have significant price increases, not only due to the direct effect of some increases, such as potatoes, coffee, refreshments, mineral water and others, but also due to the indirect effects of other increases being decreed.

As a matter of fact, the effect of the new increases will not cease with their going into effect, since this will cause a chain reaction in the prices of other products, whose rise is inevitable and will occur during the final months of this year.

2. The objective of containing inflation at a level of 20 percent during this year, proposed by the 4th Constitutional Government in the "Major Planning Options" document (18 percent in the first version of the document) that was rejected by the Assembly of the Republic in May of this year, was surpassed long ago.

And it can also be said that the proposal made by the 5th Constitutional Government of not permitting the rate of price increases for consumer goods to exceed 24 percent is already in jeopardy.

Graph 1:

Consumer Price Index (exclusive of housing) for Continental Portugal  
Index Base: 1976 = 100

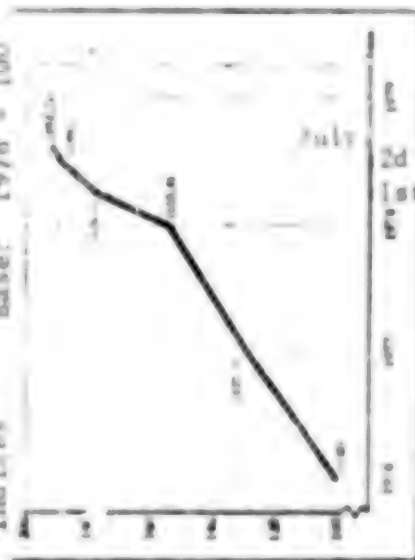


Table 1: Consumer Price Index (Excluding Housing)

Base: 1976 = 100

|                        | Indices (1976 = 100) |      | Relative Increase (%) |      |
|------------------------|----------------------|------|-----------------------|------|
|                        | 1976                 | 1977 | 1976                  | 1977 |
| Total (excl. housing)  | 100                  | 115  | 15                    | 15   |
| Food and Beverages     | 100                  | 125  | 25                    | 25   |
| Alcohol and Tobacco    | 100                  | 110  | 10                    | 10   |
| Apparel and Footwear   | 100                  | 105  | 5                     | 5    |
| Housing                | 100                  | 105  | 5                     | 5    |
| Transportation         | 100                  | 105  | 5                     | 5    |
| Communication          | 100                  | 105  | 5                     | 5    |
| Recreation and Culture | 100                  | 105  | 5                     | 5    |
| Health                 | 100                  | 105  | 5                     | 5    |
| Education              | 100                  | 105  | 5                     | 5    |
| Other                  | 100                  | 105  | 5                     | 5    |

(1) Average of monthly indices

Key:

1. First Quarter
2. Second Quarter
3. First Quarter
4. Second Quarter
5. Total (excl. housing)
6. Food and Beverages
7. Food
8. Beverages
9. Apparel and Footwear
10. Household Expenses

11. Water
12. Fuel and Electricity
13. Current domestic appliances
14. Miscellaneous
15. Personal Grooming
16. Health
17. Education
18. Transportation
19. Communications

3. The Portuguese people are thus seeing the hope of stability in their standard of living--which the current government, moreover, fed deceptively for some time--dissipate. On the contrary, they are learning that those standards will continue to deteriorate, which raises the question of why and for how long. With wage increases of about 20 percent, a rate that is reduced an average of 3 or 4 percentage points after taxes, the public's purchasing power, and particularly that of those who live exclusively from their labor, will deteriorate in 1979 at an average rate of about 10 percent.

If we bear in mind that in the second half of 1979 real wages in industry were already about 12.8 percent below the average level of 1973, we will certainly be able to have a clear idea of the present situation.

4. But the set of increases now being decreed--to which we can add those of iron and steel products and cement, which are included in the system of stated prices--although correlated, are based upon different circumstances that are worth analyzing separately.

#### Why Are Prices Rising?

5. Thus, the increases in transportation, communications (including telephones and toll charges), water and even cement and steel products are decided or agreed to with the purpose of compensating for the economic and financial deterioration that the public enterprises in these sectors have been exhibiting. More seriously in some sectors than in others, it is true, but affecting all of them.

At the root of the problem are the uncontrolled acts of collectivizing the economy, with wasteful nationalizations resulting in an oversized public sector incapable of being properly managed.

Then came the as yet little analyzed phenomenon of "cartelization," by grouping in a single public enterprise companies previously autonomous, legally and economically, creating elephantine units with extremely concentrated decision centers and extensive channels for communicating and implementing these decisions.

6. It is really much less than half true to say (as, for example, our current prime minister has said) that the increase in transportation is due to higher costs of petroleum products that we must import. To illustrate what we are saying, it suffices to note what a small portion fuel costs are in the total cost structure of, for example, the National Railway (less than 7 percent) and conclude that higher fuel prices necessarily have a very small relationship to the announced price increase for the service rendered.

And the same may be said, with much reason, about the prices of cement and steel.

It would make even less sense to connect the postal, telephone and water increases to the higher cost of petroleum derivatives (but our prime minister had no hesitancy in attributing a general connection).



7. Furthermore, the price increases in question certainly have nothing to do with increased demand.

Although it is true that consumption of water and telephone, postal and transportation services reveal an inherent growth, the truth is that setting their respective prices has not come about through market mechanisms, and has nothing to do with increased demand.

Demand for cement and steel products, in fact, has actually been less this year than last, which in market logic would contradict the price increases now occurring.

And the effect that higher prices for these two products will have on housing costs is quite evident, making it even more difficult to buy a home. The civil construction sector will also suffer the consequences of this probable reduction in home purchasing (already noted, moreover, during the first half of this year) and will see its crisis worsen.

#### Deterioration of the Public Enterprise Sector

8. Hence, the increases mentioned in No 5 are the consequence of the pronounced instability of these companies, attributable in turn to two basic factors: productive inefficiencies and financial decapitalization. The first factor is an inherent evil of such enterprises, which are stubbornly resisting the corrections that are urgently needed. This is particularly significant, for example, in transportation. It is a generally accepted fact that excessive funds are absorbed in comparison to the services rendered and productivity is disturbingly low. There are expenses that must be rigorously committed and expenditures that are not controlled. An extremely demanding financial discipline is required for these situations.

The financial undercapitalization can in turn be attributed to both the enterprises themselves and the financial incapacity of the state. The former, because it is a result of cumulative losses by inefficient management. The state, because, as the sole possessor of capital, it has not acquired the necessary capital in sufficient amounts and soon enough to meet the growing needs for their own capital that the enterprises, through their trustees, have requested.

Lack of their own funds has forced these companies to resort to massive borrowing in order to cover their current operating needs as well as for making investments. They are thus forced into very high levels of indebtedness, generating insupportable financial charges in current operations and permanent cash-flow problems.

It is enough to mention, for example, that at the beginning of this year, and then only in regard to companies entrusted to the Industry Ministry, the state was more than 13.5 million contos in arrears for capital appropriations already promised by previous governments.

And if we recall the much more serious situation of the land, sea and air transport enterprises, we can easily conclude the state's inability to supply the capital needed by "its" companies ("ours," really).

9. This situation, within the same model of state concentration, already appears beyond remedy. The year-to-year deterioration registered is significantly greater than the OGE [General State Budget] appropriations for financial assistance. If there are no structural changes, the impact of these imbalances on prices will be even more brutal in coming years.

And the current prime minister responds to this complex problem, which requires decisions of courage and political acumen and the breakdown of false ideas built up by demagoguery, with a timid and almost furtive acknowledgment of the need for changing certain aspects of management in the public-enterprise sector.

10. Specifically in regard to the public-transport sector, the fact that it is an activity subsidized by the state has been an additional factor in aggravating the situation.

In theory, the amount of subsidies allocated should be equal to the portion of the service cost not paid for by the users. This portion, which is equivalent to the social cost of the service rendered, must be the responsibility of the state, as indeed is stated in the OGE.

It happens, however, that an exact determination of these costs has been difficult, as the enterprises have been submitting proposals that the government has been reluctant to accept. All of this results in great delay in appropriating subsidies, apart from the insufficient size of the respective appropriations.

A good example is the National Railway, which more than a year ago negotiated an agreement for economic and financial reequilibrium (AREF), in which were listed production goals assumed by the company as well as the level of financial assistance to be rendered by the state. This agreement was aimed at a balanced budget, with the expectation of a virtually balanced operation in 1978. In reality, losses were over 600,000 contos in 1978, partly due to the poor performance of state financial assistance.

11. The state--let us be realistic--is financially exhausted. The 1979 OGE, approved only 3 months ago, forecast a deficit of about 100 million contos; this deficit has already been surpassed by about 20 percent. The government admitted recently that it would reach 121 million contos and has obtained legislative authorization to issue domestic bonds in the amount of 102.3 million contos, when in the budget version (Decree-Law No 201-A/79 of 30 June) such borrowings were 82.3 million contos.

And this when the first budget proposal of the 4th Government--also rejected by the Assembly of the Republic--aimed at virtual balance between total receipts and expenditures...

Hence, a stronger budget policy of financial assistance to the state-enterprise sector cannot be expected in the next few years.

12. The need for profound structural changes in the public-enterprise sector also extends, for many reasons, to the public-administrative sector, where expenditures continue to increase at a rate much greater than that of receipts. This is a consequence especially of the widespread disorganization of services, the increase of employees and the low productivity--contradicting one of the basic objectives of the agreements signed with the IMF.

And it is very important to emphasize this point, since serious consequences for the whole economy result from this lack of control and deviation from the negotiated objectives, which without exception will be affected by the renewed measures of austerity that are being proclaimed.

#### Subsidizing the Market Basket

13. Just as the increases mentioned in No 5, the new price increases for fuels should not be attributed primarily to the increased cost of petroleum imports. As a matter of fact, the cost of fuels at the factory door is a very small portion of the price at which these products are sold to the public.

The principal reason for these increases is the need to provide coverage, even if partial, to the large deficits of the Supply Fund [FA], which is made up of subsidies granted to products included in the market basket, as well as the sluggish pace of the fund's receipts (by August the fund had received only 8.3 million contos of an estimated annual appropriation of about 25 million contos, so that as of this month it has an accumulated debt of 23.7 million contos).

This, moreover, has been almost the only procedure followed to cover such deficits of the FA (80 percent), and a highly questionable one, in that gasoline is a product of everyday use in any nation with a certain degree of development. As a matter of fact, in order to hold down prices of certain basic goods--admittedly, furthermore, with little success--users of private transportation are being excessively overcharged in a country where the quality of public transportation is very far from meeting the public's needs.

And to get an idea of the effect of the increases, it would be desirable to ascertain how demand for gasoline will react to such a large increase, given the slackening that has occurred in the wake of recent increases. (See Table 2.)

These increases, moreover, will have negative effects on the demand for automobiles, especially compact cars, the decrease in which has been quite disturbing since the end of 1977 (see Graph 2).

Graph 2: Sales of Compact Cars



Table 2: Evolution of "Super" and "Normal" Gasoline Consumption from January 1978 through May 1979

(Em 1000 m3)

| Months    | Super | Normal | Total |
|-----------|-------|--------|-------|
| Janeiro   | 47,5  | 16,7   | 64,2  |
| Fevereiro | 51,9  | 18,5   | 70,4  |
| Março     | 56,9  | 21,1   | 78,0  |
| Abril     | 53,1  | 19,8   | 72,9  |
| Maior     | 57,6  | 22,5   | 80,1  |
| Junho     | 55,1  | 23,2   | 78,3  |
| Julho     | 59,1  | 24,1   | 83,2  |
| Agosto    | 81,3  | 28,6   | 109,9 |
| Setembro  | 61,7  | 23,4   | 85,1  |
| Outubro   | 63,1  | 20,1   | 83,2  |

| PRICE INCREASES |       |        |       |
|-----------------|-------|--------|-------|
| Months          | Super | Normal | Total |
| Novembro        | 46,1  | 18,7   | 64,8  |
| Dezembro        | 57,1  | 20,9   | 78,0  |
| Janeiro         | 44,7  | 16,1   | 60,8  |
| Fevereiro       | 43,8  | 15,8   | 59,6  |
| Março           | 56,2  | 20,0   | 76,2  |
| Abril           | 54,2  | 21,4   | 75,6  |
| Maior           | 57,9  | 22,7   | 80,6  |

For How Long?

14. Everything indicates that unless structural changes are made in the industries mentioned above other and probably larger increases will affect Portuguese living standards very soon, with the risk of the phenomenon being repeated cyclically.

The government itself has already acknowledged, in fact, the inadequacy of the increases and admitted the likelihood of further aggravations at the beginning of next year, possibly as a result of applying the measures that will be negotiated with the IMF.

15. The economic policy that is being followed has virtually exhausted its possibilities. It is now no longer possible to hope for anything from it except continuation of this climbing price spiral and descending living standards, until the breaking point is reached.

The choice of new solutions soon enough to prevent that point from being reached is up to the imagination of the Portuguese--and their good sense.

## BRIEFS

TRADE DEFICIT WITH TURKEY--At the end of last year the trade balance between Portugal and Turkey showed a deficit for Portugal of about \$33 million (1,623,600,000 escudos). According to the trade office of the Turkish embassy in Lisbon, cotton continues to be the principal product bought by Portugal. Tobacco and wheat are also high on the list of Portuguese purchases. Portugal, in turn, exports mainly machinery, various types of yarn, iron products and cork derivatives to Turkey. [Text] [Lisbon JORNAL DA ECONOMIA supplement to JORNAL NOVO in Portuguese 19 Sep 79 p 5] 8834

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